Daily Report

Latin America

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FBIS-LAT-91-001 *2 January 1991*

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OAS Condemns Suriname Military Takeover

FL2912152090 Bonaire Trans World Radio in English 1230 GMT 29 Dec 90

[Text] The Organization of American States [OAS], in emergency session, has formally condemned the military takeover of the Surinamese Government. All but one OAS country voted in favor of a Venezuelan resolution calling on the Surinamese Army to immediately restore the government to the democratically elected authorities.

Caribbean Reaction Noted

FL3112143590 Bridgetown CANA in English 1920 GMT 29 Dec 90

[Report by Wesley Kirton]

[Text] Washington, Dec 29, CANA—Grenadian diplomat Denneth Modeste is wary of the Suriname Army and its promise to give up power it grabbed in a Christmas Eve coup.

Modeste, Grenada's ambassador to the Organisation of American States, said: "The military leaders have given an undertaking to hand over power to Parliament, to form a crisis cabinet, and hold elections within 100 days. This might represent a serious intention to restore the country to democracy or a ploy to assuage the fears of the population and the international community.

"Either way, the conduct of the military leaders clearly calls into question their commitment to the principles of democracy. If our reports are accurate, there appears to be no justification for their action, and emphasising that it was bloodless does not make it acceptable."

Modeste was among diplomats who supported an OAS resolution Friday condemning the coup and urging the re-establishment of democratic institutional order in the South American state.

"Grenada has no choice but to condemn the seizure of power by the military because we know quite well that if this conduct is allowed to succeed it will set a precedence so that when difficulties arise, and inevitably these will arise under any government, the faction that wields the gun will command greater respect than the one which advocates submission to the will of the people expressed through the ballot box," Modeste said.

The Grenadian diplomat said that if the military leaders were serious about the democratic process then the concept of power sharing between the military and civilian government "is untenable."

Trinidad and Tobago's Ambassador Angus Khan said the military takeover was a setback not only for Suriname but for the whole Caribbean and "goes against the current trend in our region where democratic government is now the norm." Khan said the 1990's already portended severe difficulties for the regional events such as the coup in Suriname "can serve only to retard their social and economic development."

Antigua and Barbuda said that changes in government and the settlement of differences between political groups "must occur through the ballot box and not the butt of a gun." Charge d'Affaires Paul Spencer said the coup constituted a retrograde step for the consolidation of democracy in the hemisphere.

Jamaica, the Bahamas, Grenada, Antigua and Barbuda, and Trinidad and Tobago co-sponsored the resolution which was introduced by Venezuela.

The charge d'affaires of Suriname, Glenn Alvarez, told CANA "there is no need for concern about the situation in Suriname but I can understand and respect the concern of my colleagues and that is now behind us." Alvarez said there was no reason to doubt that the military will live up to the promise it has made.

Uruguay Asked To Leave Common Market Talks

PY3112182590 Madrid EFE in Spanish 2135 GMT 31 Dec 90

[Text] Montevideo, 30 Dec (EFE)—According to the Montevideo daily LA REPUBLICA, the Uruguayan representatives to the talks aimed at signing an agreement establishing the Southern Cone common market [Mercado Comun del Cono Sur] (Mercosur) have been asked to leave the talks "until they demonstrate a firm political will to join this market."

LA REPUBLICA today published a report stating that the invitation to leave the talks was issued on 15 December in Brasilia during a working session of the groups that are studying the basics of the treaty.

It is expected that the treaty, which epitomizes the political will of Argentina, Brazil, Paraguay, and Uruguay to establish the Southern Cone common market, will be signed in mid-January in Asuncion.

Several groups of experts from the four countries are meeting periodically to coordinate and to reconcile monetary, commercial, industrial, fiscal, customs, energy, agricultural, health, and other policies.

The preliminary work for the Mercosur will last until 31 December 1994 and the common market will become operational on 1 January 1995.

During the negotiations in Brasilia, the four participating countries submitted lists of exceptions that they want implemented on joining the common market. Argentina requested 307 exceptions, Brazil requested 271, Paraguay asked for 400, and Uruguay listed 960 exceptions.

The lengthy list presented by the Uruguayan representatives and their request for preferential treatment has caused some displeasure among Argentine and Brazilian representatives, according to LA REPUBLICA, quoting government sources.

The Brazilian representatives have invited their Uruguayan counterparts to leave the talks until Uruguay demonstrates a firm political will to join the integration project.

Argentina, Brazil, and Paraguay signed in Brasilia an agreement setting 31 December 1994 as the date for the disappearance of all customs tariffs, and Uruguay joined the agreement with an additional grace period of 1 year.

In mid-1990 Uruguayan President Luis Alberto Lacalle commented that the Mercosur issue, saying that "Uruguay is on the threshold of a decision as meaningful as independence."

Lacalle has received the support of political parties, businessmen, industrialists, and workers organizations to join the integration project.

Uruguayan Foreign Minister Hector Gros Espiel told Congress that the Mercosur "will cost" the country and admitted that during the integration process some local companies "will go bankrupt because of foreign competition."

Weekly Roundup on Regional Drug Seizures

PA3112122990

[Editorial Report] Following is a compilation of reports on drug seizures and arrests related to drug trafficking in bureau coverage area from 22 to 31 December 1990. Source follows in parentheses after each item.

Colombia

Members of the Directorate of Judicial Police and Investigations (DIJIN) have broken up a drug ring and arrested six people, including three employees of the Colombian airlines SAM and AVIANCA. The ring operated by picking up cocaine in Medellin, Bogota, and Cali, and taking it to San Andres Island for transshipment to Honduras and Guatemala, from where it eventually made its way to the United States. Luis Eduardo Rojas was in charge of making contacts with the airline employees. Jose Vicente Lopez Yate made the international contacts in Honduras, Guatemala, and the United States. The two men and four of their accomplices are behind bars today. During the operation the DIJIN confiscated 50 kg of cocaine. [Bogota EL TIEMPO in Spanish 22 Dec 90 p 9-C]

The national police have confiscated 43 kg of high grade cocaine in a raid on a private home in Bogota. Luis Fernando Pabon Escobar was arrested during the operation. The drug was going to be sent to the United States via Central America. [Bogota Inravision Television Cadena 2 in Spanish 0100 GMT 31 Dec 90]

Guatemala

Conrado Monroy, spokesman for the Civil Protection System (SIPROCI) has announced that late in the evening of 23 December SIPROCI members arrested Edgar Rolando Ramirez Fabrega after 457 kg of cocaine were found in a cargo of cement on his truck. Ramirez Fabrega claimed that he had simply been hired to take the cement to Santa Elena, Peten Department, and was waiting to be paid for his services when arrested. The authorities believe that the cocaine was brought into the country from Colombia and that it was being taken to a clandestine airstrip for delivery to the United States. [Guatemala City Teleonce Television in Spanish 0400 GMT 24 Dec 90]

Panama

On 23 December the Judicial Technical Police confiscated 14 kg of cocaine found in building 10-10 at the Cristobal pier. The police are trying to determine who owns the office in which the drug was found. Two people are currently under investigation. [Panama City LA PRENSA in Spanish 24 Dec 90 p 28-A]

Cuba

Havana Reports Gorbachev's Congratulatory Message

FL3112123890 Havana Tele Rebelde Network in Spanish 1200 GMT 31 Dec 90

[Text] Soviet President Mikhail Gorbachev has sent a message to our Commander in Chief Fidel Castro on the occasion of the 32d anniversary of the revolution. The following is the text:

Dear Comrade Fidel Castro,

On the occasion of the national festivities of the Republic of Cuba, Liberation Day, which turned into a historic milestone in the life of the Cuban people, receive my sincere congratulations.

We [words indistinct] friendship with the Cuban people, which was formed during the course of the multifaceted cooperation of many years between our countries. We hope that our relation of mutual understanding and trust will continue serving the cause of peace and security and the development of positive trends in international life.

Time has given us new and major tasks among which is to make essential a general increase in the effectiveness of our bilateral relations, taking into account our capabilities and mutual interests.

I express the certainty that this will make it possible to further strengthen the traditional bonds of friendship and cooperation between our countries and peoples.

I wish you and all the Cuban people many successes, peace, and well-being in 1991.

[Signed] Mikhail Gorbachev
Moscow, Kremlin
31 December 1990

Economic Agreements Signed With USSR

FL3112190790 Havana Television Service in Spanish 0100 GMT 30 Dec 90

[Text] Cuba and the Soviet Union signed today in Moscow trade and economic cooperation agreements that guarantee mutual deliveries for next year. Ricardo Cabrisas, Cuban foreign trade minister, and Konstantin Katushev, Soviet Foreign Economic Relations Minister, also signed an agreement for the transition to new forms of payment and price-setting mechanisms, another agreeement on bank practices, as well as a protocol on the transportation of goods.

According to the agreements, Cuba will deliver sugar, nickel, citrus, tobacco, alcoholic beverages, and new items such as medicines, medical equipment, and biotechnology products.

The Soviet Union will export raw material such as fuel, cereal, chemical products, metals, machinery, and spare parts, among other goods.

According to the agreement, the Soviet Union will continue providing technical assistance and economic cooperation in the construction of projects for the development of the country.

Diplomatic Relations With Jamaica Reestablished

PA0101212691 Havana International Service in Spanish 0000 GMT 29 Dec 90

[Text] Dario Urra Torriente, Cuban ambassador to Jamaica, has told this radio station that the reestablishment of relations between Cuba and Jamaica represents a sign of sovereignty on the part of the Caribbean nation of Jamaica, at a time when U.S. imperialism is intensifying its policy of isolating the Cuban revolution.

Urra Torriente said that Jamaica and Cuba can increase cooperation and bilateral exchange in the areas of tourism, trade, and culture, fields in which the two countries have much in common. The Cuban ambassador to Jamaica added that relations with Jamaica will also contribute to portraying the Cuban situation to the rest of the Caribbean countries.

Friendship Society Issues Call for Latin Unity

FL3112131390 Havana Tele Rebelde Network in Spanish 1200 GMT 31 Dec 90

[Text] A call for Latin American unity and [words indistinct] has been made by the Friendship House of Cuba and Mexico in a note addressed to the national and international community, the Cuban people, and President Fidel Castro. The text says that the document is issued at a time in which there is the greatest real danger of dividing us irreparably with the Initiative for the Americas and the free trade agreement. This is a desperate U.S. trick to mend its deteriorated economic situation. The call also expresses that Cuba has shown that to be independent is to be free and its people have not been silenced.

Nuclear Power Plant Construction Noted

FL3112130090 Havana Tele Rebelde Network in Spanish 1200 GMT 31 Dec 90

[Text] The first reactor of the nuclear power plant under construction in Cienfuegos has reached maximum height after a complex installation maneuver.

The closing of the reactor's sealed area is a significant matter in the construction of any nuclear power plant. This operation took place successfully in the Juragua plant in Cienfuegos. The elevation of this 75-ton structure, during an operation that took only 45 minutes, required several days of preparation. The operation took place at the break of dawn to take advantage of the low winds at that time—between four and six meters per second—after the weather conditions were checked.

The maneuver was implemented with an almost stopwatch precision, with the constant correction of all the

means used. The final part of the dome was set on its base exactly in place. With the installation of this block, the first reactor is ready for the pouring of concrete.

Seven years have already gone by since this complex project was begun. According to specialists, this period is the average time needed to erect the first [word indistinct] of any nuclear power plant especially because of the extreme quality control measures and the required preparation, training, and experience of its construction workers. The Juragua construction workers measured up to the requirements with this operation.

* Agricultural Plans, Contingents Described

91CA0034A Havana GRANMA in Spanish
19 Nov 90 p 3

[Report by Raisa Pages]

[Text] Fidel has described the work force as the key to the Havana food program. What is being done in this territory to overcome the shortage of farm workers once and for all? What temporary solutions are being put into practice?

Although quite a bit has been written about the construction of the camps, my purpose today is to provide an overview of everything that is being done in the province of Havana, where the capital plays an extremely important role.

If you look at the map of Havana in the office of Enrique Gomez, the assistant delegate of human resources on the regional agriculture delegation, you will observe dozens of dots and triangles, the great majority of which are marked as "camps."

Sixty of these facilities have been installed in farming areas, and five of them will be supporting the areas of the peasant-cooperative sector, because they require less manpower and were thus assigned some smaller lodgings that are used by students in the Vacation Time Agricultural Labor stage.

Forty camps are being built by the movement of mini-brigade members of Havana, who have been divided into two groups and will complete the work in two stages.

Seven of the first 20 have been completed or are about to receive workers. A commission reviews and gives its approval to the completion of the project. The remainder are more than half finished, but some are behind schedule, such as the ones in Guira de Melena and Alquizar, two in Batabano, two in Melena, and one in Nueva Paz.

Work has begun on the other 20, the second stage, and is scheduled to be completed by December. The ones in Artemisa, for example, are quite far along.

Havana assumed responsibility for the remaining 20, which have also been divided into two stages. One of the first nine has already been completed, Gia II, which was built by the People's Government of the province and is of very high quality. The other eight in the first group will be made available in the days to come, and all 20 will be completed by next month so that the capacity needed for the cold-weather farm season is ready as 1991 begins.

What Are the Camps Like?

The camps offer the most appropriate and necessary comforts, inasmuch as some of them will be home to contingents that will be doing farm work for two years there.

The dormitories have been divided into cubicles for ten beds, with five double bunks, two fans, and a radio, and arrangements are being made to outfit them with lockers, especially the ones that are going to house comrades full-time for two years.

They are going to have two living rooms, each of which will have television and wall fans, a cold-water fountain, and table and chair sets.

The dining rooms will have fans and two cold-water refrigerators; the long stone tables with benches will be a thing of the past, as the tables and chairs will be much cozier.

The kitchen will offer two cooking methods: a wood stove when there is no oil, and a stove that uses fuel, so that the lodgers can adapt to circumstances. It will also have two or three freezers for keeping food.

The camps will have doctor's offices with a refrigerator, two fans, a radio, and the resources to treat patients.

Not One Too Many or One Too Few

The mobilization request is part of a plan, but not a mechanical, unchanging one. Rather, it is reviewed before the start of each month so that manpower can be requested in accordance with the weather, the plantings, the harvests, and the rest of the care that the fields receive.

The mobilized manpower is being utilized satisfactorily right now, and there is even a shortfall in some municipalities because the men's arrival depends on the completion of the camps, some of which are behind schedule.

Estimates are that in February and March there are between 17,000 and 18,000 residents of the capital in Havana fields, as this is the peak harvest time during the cold-weather season. Nevertheless, this is not a fixed number; it will vary as the work load changes.

As the new camps are being built, instructions have gone out to revamp the old ones, where the students do their Vacation Time Agricultural Labor, so that conditions there improve.

Final Solution: Communities

The final solution will come for agriculture when each farm area has a modern community for the farm workers who are needed on these plantations.

Even when this problem has been taken care of, the mobilization will never be abolished because there are times when farming requires more than the customary number of workers.

The program calls for the establishment of 31 communities and the construction of some 10,000 housing units. Estimates are that the workers who will live there will be able to look after 1,762 arable caballerias [1 caballeria=13.4 hectares], an overall average of somewhat more than five homes per caballeria. The vegetable-growing areas will require more workers, however.

The services for each comprehensively planned community will be close by so that families can keep their movements to a minimum; this is a major advantage given the daily comings and goings of working couples with children.

The number of housing units per settlement will range from 200 to almost 500, depending on the areas in which they are located.

The specific sites and municipalities have already been proposed: Artemisa, three; Alquizar, four; Guira de Melena, five; Quivican, three; Batabano, three; Melena, six; Guines, four, and Nueva Paz, three.

This list does not include the communities that are planned for the citrus-fruit area of the Ceiba enterprise, proposals for which are under study at the moment.

Contingents

As Fidel reported in his Red Sunday tour, 26 contingents are being organized, although others may be formed. Some have already been established, and the two provinces are helping to fill the ranks of these forces, which are working under new principles.

The following contingents are being formed or have already been completely constituted: the ones of the People's Government, one from the capital and another from Havana; MICONS [Ministry of Construction], which will also furnish two, one per province; the capital-city Union of Young Communists and Cuban Workers Federation, each with a contingent; the Agricultural Union, which spans the two territories, and one from each municipality in the City of Havana.

Rounding out the list of 26 are the four Blas Roca brigades, because besides number 30 in Guines others are already being formed to live on the Nueva Paz, Alquizar, and Artemisa plantations.

In light of all the ideas and solutions that are increasingly coming into play, the future for Havana agriculture looks very promising, as it may meet the challenge of never producing less than 15 million quintals of tubers and vegetables, which was the goal set for supplying the capital and the province of Havana.

A change can already be seen in the fields, which in contrast to the past are not infested with weeds. Work is moving along well in preparing the fields, even with the frequent rain delays and the limited fuel supply.

I would say that 1990 has been a year of radical change for Havana. In examining the development of agriculture in this region, we have to talk about pre- and post-1990.

I should clarify that we are in the midst of an era of change, of new ideas that are being put into practice to solve long-standing problems. There will be no immediate increase in supply; rather, we will have to wait until everything that is being done bears fruit. Some growers are saying that supplies will be bigger as early as next year.

Success will depend on collective discipline in using modern technologies, because technology alone is not enough; it is the hand of man that brings results.

Inter-Caribbean Affairs

Caricom 1991 Political Challenges Cited

FL3112163090 Bridgetown CANA in English 1527 GMT 31 Dec 90

[Report by Rickey Singh]

[Text] Bridgetown, Barbados, Dec 31, CANA—Election politics and the devising of new strategies to deepen regional integration and forge new forms of economic relations with Europe and North America will be dominant features of Caribbean Community (Caricom) activities in 1991.

Barbados has fired the first salvo in the coming series of general elections in the region with its weekend announcement of a January 22 poll at which the incumbent Democratic Labour Party (DLP) will be faced with a tough challenge to retain the political power it won in a historic 24-3 parliamentary landslide in May 1986. The DLP's five-year mandate ends in May 1991. In choosing to go four months earlier to the electorate, Prime Minister Erskine Sandiford has avoided, according to some economists, the unpleasant task of presenting by April a new budget with its expected package of new taxes to avoid a currency devaluation and other painful International Monetary Fund-type fiscal measures.

Elections are also scheduled in 1991 for Guyana and Trinidad and Tobago, as well as in Suriname, a Caricom observer territory.

There is also speculation, largely within opposition and trade union circles, of a snap poll being called in St. Lucia where parliamentary elections are not due before

May 1992. After failing to get more than a one-seat parliamentary majority at two historic elections within a month in 1987, Prime Minister John Compton's incumbent United Workers Party (UWP) has been governing with a 10-7 majority based on an arranged defection—that of current Foreign Minister Neville Cenac—from the St. Lucia Labour Party.

The 13-member Caribbean Community will be involved in a major economic conference in February to help shape Caricom's future economic relations with Europe and North America, within three weeks of being represented at the ceremonial swearing in of the first freely-elected president of Haiti in more than three decades—Jean-Bertrand Aristide, a 35-year-old Roman Catholic priest.

Like Suriname, Haiti also has observer status within the 17-year-old Caribbean Community, which is inching towards the goal of a single market and economy by January 1994. But as Haitians were celebrating the triumph of electoral democracy at the December 16 poll, the people of Dutch-speaking Suriname were subjected to another military coup on Christmas Eve, with the soldiers promising new elections in 100 days.

Some of the colonels and sergeants who seized power from the civilian government of President Ramsewak Shankar, popularly elected in 1988, were involved in the first coup of February 1980 that led to military-run governments until the last election. Human rights and diplomatic personnel in Paramaribo, the capital, are skeptical of the soldiers honouring their pledge to hand over power with new elections as promised.

Suriname's eastern neighbour, Guyana, with which it has a colonially-inherited territorial dispute, was expected to have general elections before the end of 1990, the last election having been held five years ago on December 9, 1985. But the government of President Desmond Hoyte has decided to maintain power beyond the ultimate date for delaying elections—May 2, 1991—and to seek a constitutional amendment to give itself at least an additional two months to prepare a new electoral roll for new presidential and parliamentary elections.

The compilation of a new voter register, based on house-to-house enumeration, is among major concessions won from the government by opposition parties and civic organisations which have been mobilising support beyond the shores of Guyana for major electoral reform before new elections. The current mood in Guyana, as assessed by a cross-section of academics, labour leaders, social commentators, and media representatives, points to a change of government in the co-operative Republic, providing the incumbent People's National Congress (PNC), in power for 25 years, carries out its pledged electoral reform and guarantees free and fair election.

Across in Trinidad and Tobago, Guyana's neighbour an hour jet-flying time away, which the PNC government owes more than a quarter of its estimated U.S. 2 billion dollars external debt, elections are expected a year from now. Growing unpopularity of the incumbent National Alliance for Reconstruction [NAR] and mounting criticisms of the party's leader and prime minister, A.N.R. Robinson, even from within the fold of the NAR, have fuelled speculation of a snap poll, possibly within the second quarter of 1991, and not later than August.

Some political observers have suggested that should the January 22 election in Barbados results in a change of government, this could only increase pressure on the NAR government to hold early elections which it could possibly lose.

Two junior ministers of the NAR government, Ken Butcher and Eden Shand, who are leaving the government but remaining with the party, have strengthened the hopes of opposition parties by their recent public criticisms of Prime Minister Robinson and their claims that he could cost the NAR the next election unless he gives up the leadership.

The NAR government, which survived a coup attempt last July, led by a religious-political group known as Jamaat-al-Muslimeen, suffered a major setback last December 17 when Clive Pantin, its former health minister and more respected of its top brass, was defeated at a by-election for the Diego Martin Central constituency. The party had earlier fared poorly at local government elections. It had been wracked by dissension within the first year of its massive electoral landslide in December 1986 that swept the People's National Movement from the unbroken political power it had controlled for 30 years.

Outside of election politics, the governments of the community will be involved in a series of meetings and conferences at which they would be expected to measure the progress of implementation of decisions, since the 1989 Caricom summit in Grenada, to accelerate the process of economic integration. A Caricom council of ministers is to precede a one-day informal Caricom summit in February, both taking place before the Caribbean Economic Conference scheduled for February 28-March 1, and all expected to address issues relating to the community's current and future economics ties with the U.S.A., Canada, and Europe as well as new relations with Latin American and non-English Caribbean nations.

Barbados

General Elections Scheduled for 22 Jan

FL3112141090 Bridgetown CANA in English 1815 GMT 29 Dec 90

[Excerpts] [no dateline as received]—The poll is expected to be a three-way fight, involving Prime Minister Erskine Sandiford's Democratic Labour Party [DLP], opposition leader Dr. Richie Haynes' National

Democratic Party [NDP], and the Barbados Labour Party [BLP] of former Foreign Minister Henry Forde.

Dr. Haynes said: "We are ready to fight the election." The opposition leader described Barbados as "ripe for a change of government." Haynes' party, a DLP splinter group, holds four seats in the House of Assembly, the BLP three, and Sandiford's DLP 20. The last general election here was on May 28, 1986, when the DLP, with Haynes as a member, captured 24 of the 27 seats at stake.

Sandiford's management of the economy is expected to be a main campaign issue in the coming election. In October, the central bank reported that after seven straight years of positive growth, the Barbados economy was heading for a three per cent decline in 1990. The economy grew in real terms last year by 3.5 per cent. The expected 1990 decline has been attributed largely to a fall-off in tourist arrivals and continuing weak performance by export manufacturing. Both the government's political opponents and leading businessmen have accused the government of not doing enough to help the business sector—a charge the Sandiford administration rejects.

The election is being held immediately after the January 21 birthday of former Prime Minister Errol Barrow. Haynes complained that Sandiford, who took over as prime minister on June 1, 1987 after Barrow died, was trying to get benefits from the birthday. [passage indistinct]

Like Haynes, the BLP's Forde appeared confident of an electoral win.

"Both socially and economically, the country has for some time now been at the stage where the electorate should long ago have been given the opportunity to chose a new government," he said.

"The present administration has no vision for Barbados and has therefore been unable to tackle the problem of law and order, with its violent manifestations of escalating crime and gang warfare.

"Nor has it been able to devise strategies to get the productive sectors of the economy working again."

He said it was time to "rid ourselves of this lame-duck administration."

This is the first election in which Sandiford, Haynes, and Forde will be leading their parties. The party leaders are expecting clear majoritiies.

BLP's Forde Predicts 'Easy Win'

FL3112153590 Bridgetown CANA in English 2246 GMT 29 Dec 90

[Text] Bridgetown, Barbados, Dec 29, CANA—Leader of the opposition Barbados Labour Party [BLP], Henry Forde, sees the BLP registering an easy win in a January 22 general election announced Saturday.

"I don't see any toughness in deposing a government that is inefficient," he told the CARIBBEAN NEWS AGENCY. He said the ruling Democratic Labour Party [DLP] was going into the election at a time when the productive sectors were in decline, law and order in trouble, and "cynicism and hopelessness" widespread in the country. There was also a lack of vision regarding where Barbados was going, the former foreign minister charged.

The BLP holds three of the 27 seats in the House of Assembly. It was last in power here from 1976 to 1986. For the first time, Forde is leading the party, the oldest here, in a general election. He said the BLP would campaign on issues such as "the fiscal indiscipline of the government" and "government's squandermania." He described the party as well-prepared for the poll, saying several of its candidates had been in the field for more than a year.

"Most of the groundwork has been done," he said.

The election, preceded by nominations on January 7, is expected to be a three-way fight—between the BLP, prime minister Erskine Sandiford's DLP, and the National Democratic Party of medical doctor Richie Haynes. Each party is expected to field 28 candidates.

The BLP's line-up will include three women, among them ex-Health Minister Billie Miller. Forde said the BLP would be trying to sell to the electorate plans "to get productive sectors going," to take agriculture out of "the doldrums," and to improve financial and other services. The party's portfolio included programmes to beef up the police force and give youths a better deal, Forde reported.

He said a BLP government would "work closely with the business sector" and try to make government statutory boards more efficient in the management of their affairs.

Sandiford Forecasts DLP Victory

FL3112151090 Bridgetown CANA in English 2150 GMT 29 Dec 90

[Report by Colin King]

[Excerpts] Bridgetown, Barbados, Dec 29, CANA—Barbados' three main political parties have expressed confidence in winning a January 22 general election announced Saturday.

"We are ready to fight the election," stated opposition leader Dr. Richie Haynes, who heads the National Democratic Party (NDP). Haynes and opposition Barbados Labour Party (BLP) leader Henry Forde said recent developments made the country ripe for a poll and a change of government, while Prime Minister Erskine Sandiford asserted his DLP [Democractic Labor Party] will gain another five-year mandate because of its record of economic and social achievement since a 1986 landslide victory at the polls.

The government, however, has been facing an economic slowdown and an apparent rise in crime. It is "entirely probable" that the DLP will be returned with as large a majority as in the 1986 elections, a smiling Sandiford told reporters at his Ilaro Court official residence. He said the NDP, a DLP splinter group, is untested at the polls and the BLP has to cope with internal divisions.

Haynes said the NDP will make a major election issue of a no-confidence motion in the prime minister tabled in the last Parliament, and killed, unheard, by Saturday's dissolution of the House of Assembly. Haynes tabled the no-confidence vote in the prime minister, also responsible for finance, after government exceeded legal borrowing limits at the central bank, amidst continuing balance of payments and fiscal deficit problems.

While scheduling an unusual Christmas Eve sitting of Parliament in an effort to clear up the house agenda, the government did not facilitate debate of the no-confidence motion. The government's majority in the house could easily defeat the motion—the Democratic Labour Party holds 20 of the 27 seats to the NDP's four and the BLP's three.

But opposition parties appear more concerned with a chance to ventilate issues such as crime and the state of the economy. Forde sees the January poll as a chance to "rid ourselves of this lame-duck administration." [passage omitted]

The central bank here recently reported that after seven consecutive years of positive growth, the Barbados economy is headed for a three per cent decline in 1990 largely because of a fall-off in tourist arrivals and continuing weak export manufacturing performance.

But Sandiford countered that: "Since 1986, the significant achievement has been that by the end of 1989.... We had been able to preside over an economy that reached the highest level of goods and services in the history of Barbados."

"...Perhaps it is because we have not been shouting loudly about these matters that it has not really come home to everyone, but these are undisputed facts."

Questioning the strength of the NDP, Sandiford said the poll will give the electorate an opportunity to "put an end to the charade that has taken place whereby without the endorsement or support of constituencies.... a group of pretenders can.... become the main opposition in Barbados, displacing what the election had done." In February, 1989 the NDP displaced the BLP as the official opposition.

Sandiford said the BLP will have to deal with internal divisions and a "lack of credibility" after its leader, Forde, made a never substantiated claim that he possessed an International Monetary Fund (IMF) document proving the Fund had recommended a currency devaluation here.

"I think the people realise that the opposition is not really ready, in spite of their terms, for any shot at governing this country," Sandiford said. The prime minister reported his DLP will field an "experienced slate" of candidates, unmatched by any other party.

Bermuda

Premier Swan Warns Workers of No Pay Hikes

FL3112191090 Bridgetown CANA in English 1631 GMT 31 Dec 90

[Text] Hamilton, Bermuda, Dec 31, CANA—Premier Sir John Swan warned workers they may have to forego pay rises in 1991 as Bermuda attempts to fight off the impact of the recession hitting the United States. In a New Year's Eve statement, Swan denied the island itself was in recession but said: "There can be little doubt that Bermuda is being affected by the problems now being experienced by the United States economy."

He added: "We must all do everything we can to preserve jobs and that may mean, in the final analysis, that employees may have to forego wage increases altogether or accept wage increases well below the U.S. rate of inflation so that the cost of a Bermuda vacation to U.S. visitors is not put beyond their reach."

The Bermuda Industrial Union is currently negotiating for a new three-year contract for 3,000 hotel workers, the largest wage deal in the 60,000 population island. Swan, who will celebrate nine years in power on January 6, said the union knows the financial state of the hotels, which, he claimed, "indicates there has been a clear downturn in their ability to operate with an acceptable level of profitability".

Tourist figures slumped by 7 percent in the six months from May to October, and the volume of sales in the shops fell in nine of the first 10 months of the year.

Swan said that while recession "in the classic mould" did not exist, "there can be no denying the fact that Bermuda finds itself in a difficulty economic situation."

"What the island requires are deliberate, careful steps to be taken to minimise the negative effects of the recessionary trends now in evidence in countries such as the United States, Canada, and the United Kingdom," he said.

"Against that background it will be even more important that Bermuda gives good value for money to its visitors and that the island must avoid any actual or threatened industrial strife which could adversely affect Bermuda's ability to weather these difficult economic times."

Dominican Republic

* Rosario Mine To Produce Billions in Gold

91CA0037D Santo Domingo EL SIGLO in Spanish 30 Oct 90 p 1

[Article by Wilfredo Polanco]

[Text] President Joaquin Balaguer has authorized the Rosario Dominicana company to begin gold mining in the Pueblo Viejo, Cotui sulfur deposits. Production worth about $5.4 billion is expected, the mining company chairman announced yesterday.

Major General Antonio Imbert Barrera said that they will take safety precautions to ensure that the extraction process does not pollute the northeastern environment. This is one of the nation's most productive areas.

In a press conference, Major General Imbert Barrera said the mining company is preparing its equipment and facilities to begin extracting gold from the sulfur deposits.

He said that this operation will extend the life of the Rosario Mine until well into the 21st century. He reported that based on the company's studies, the Pueblo Viejo mine has a minimum reserve of 11,625,000 gold troy ounces, and 37 million ounces of silver. This will enable them to maintain a crushing rate of 10,000 metric tons a day.

The Rosario chairman said the company will be able to produce between 1,000 to 2,000 ounces of gold and between 4,000 to 6,000 ounces of silver per day, if international gold and silver prices are good.

On the economic reserves contained in the sulfur deposits, Major General Imbert Barrera said that with 3.75 grams of gold per ton and 20.60 grams of silver per ton, they will obtain 98,550,000 wet metric tons.

Concerning the ore extraction technology, he said they will continue to use strip mining, but that they have not yet decided on which metallurgical process they will use.

He said it will take the company between 18 and 36 months to start the sulfur project in operation, depending on the technology used. He indicated that for the metallugical process, the heating, bio-lixiviation, and pressurized lixiviation methods will be available.

He reiterated that the sulfur mining project will not damage the area's ecosystem.

Haiti

UN Observer Comments on Elections, UN Role

FL3112202090 Port-au-Prince Radio Metropole in French 1700 GMT 28 Dec 90

[Interview with Dr. Renard (Hemke), UN observer of the 16 December elections, by Metropole correspondent Nancy Roc; place and date not given—recorded]

[Excerpts] [Roc] The 16 December balloting will remain engraved in the history of our country as a definite historical date. Beyond the personal victory for the Haitian people, however, the successful outcome of those elections also marked the sensational and exemplary emergence of our country in the world political scene. Indeed, the various international organizations that were part of the electoral process, will be provided with a great democratic lesson, according to several international observers. Such a ballot also provided experience for new political involvement on a world scale by the United Nations. For example, according to the representative of this organization in Haiti, Dr. Renard (Hemke), the Haitian formula applied during these elections will mark world history and could be used as an example of UN involvement in Third World countries, marked by war or characterized by a fragile and difficult elections. Contrary to the OAS, the United Nations sent more than 300 observers into our territory, not only to observe the voting, but also and most importantly to count the ballots.

What is the essence and the importance, the stakes of this Haitian formula applied during these elections? Dr. (Hemke) voiced his opinion.

[(Hemke)] We said that Haiti was a pioneer on the international scene. It was necessary to show that such a formula could work. Fortunately, it did work. The problem lies in the split of the social and economic web in the country. There was a deep division inside the Haitian society which led to a situation where all economic development stopped. It then was imperative to redress the situation which only the national institutions could lead, for it was a task that they [institutions] were no longer able to carry.

Indeed, only Haitian society could solve its problem and it is in that sense that we see some developing countries where the growing process did not work in the right direction. Conceptually, one can reach a similar, widespread situation through a popular, credible vote of the society in order to come out of a crisis situation. [sentence as heard] This is exactly what happened in Haiti. I could think of many other countries which are in a similar situation, perhaps not as keen as the one in Haiti, but in which other solutions for the country's social, economic, and political crisis could not be possible through other than free and credible elections. [passage omitted]

[Roc] Will the United Nations now play more of a political role in the world?

[(Hemke)] It is not impossible. Anyway, the very important part of the Haitian formula, should not be forgotten in your question. It was a matter of a request made by an entire society and not only by the executive. The Nicaraguan situation came from a government in power which ultimately intended to keep power with internationally approved elections. In fact, from the time those elections became completely free and credible, the population decided to take another direction. Therefore, it became an important element of the whole process of maintaining peace in the Central American region.

I do think the United Nations could include the observer role in its duties if other developing countries wish so. This role is a little more political than the usual one played elsewhere, but it is closely related to the redress of development in those countries. It is, in each case, a situation which needs to be redressed so that such or such society starts producing again, starts having international relations and comes out of its isolation, and starts having foreign trade, etc.

[Roc] In addition to that, regarding the UN aid to Haiti, Dr. (Hemke) advised that a resolution was considered by the UN General Assembly, along with the members states to grant special aid to Aristide's government. Such aid includes two parts: first, an emergency budget will be granted in February 1991 and second, a committee of countries friendly to Haiti will be formed in order to quickly release very important funds. These funds could be even greater than the yearly $15 million that the United Nations already keeps at the disposal of the new government.

Finally, it must be pointed out that more than 125 UN observers will remain in Haiti until 7 February 1991.

El Salvador

FMLN Attacks Garrison Near Presidency

PA3112193490 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 31 Dec 90

[Text] Urban commandos from the FMLN [Farabundo Marti National Liberation Front] attacked El Zapote Garrison and the CIIFA [Armed Forces Engineer's Training Center] in the San Jacinto neighborhood at 0440 today. Apparently, the urban commandos fired six shots from an RPG-7 near the student center. From there the guerrillas also attacked the advance post on the road to the Planes de Renderos, but no casualties were inflicted on the Army.

Some of the explosive devices launched by the FMLN landed inside the CIIFA installations and damaged a dormitory while others landed near trees. Another explosive landed near the Presidential House. Corporal Jose Guillermo Martinez was slightly wounded by shrapnel and taken to a military hospital. Later on, troops from that garrison combed the area looking for the spot where the RPG-7's were launched.

Defense Minister Ponce Promoted to General

PA3112221390 San Salvador Radio Cadena YSKL in Spanish 2058 GMT 31 Dec 90

[Text] Here is the general order issued by the Armed Forces' Joint Chiefs of Staff on the transfers and promotions within the Armed Forces that were announced today, 31 December:

Colonels Rene Emilio Ponce, defense and public security minister, Juan Orlando Zepeda, deputy defense and public security minister, and Nelson Gilberto Rubio Rubio, chief of the Salvadoran Armed Forces' Joint Chiefs of Staff, are promoted to the rank of general, based on General Order No. 12, dated 31 December.

In addition, the following lieutenant colonels are promoted to the rank of colonel: Jaime Guzman Morales, Luis Francisco Humberto Salinas, Manuel Antonio Hermengildo Rivas, Jose Manuel Garcia Prieto, Juan Emilio Velazco Alfaro, Alfonso Adalberto Ayala Dimas, Mario Alfredo Cruz Paez, Jose Domingo Flores Portillo, and Noe Orlando Gonzalez, who is the general manager of the Armed Forces' Social Welfare Institute.

The order also contains the names of 15 majors who were promoted to the rank of lieutenant colonel, including Major Mauricio Chavez Caceres, the current Armed Forces Press Committee chief. Moreover, 13 captains were promoted to the rank of major, 68 lieutenants were promoted to the rank of lieutenant captain [teniente capitan], 141 sublieutenants were promoted to the rank of lieutenant, and 50 more officers were promoted to this rank [as heard], in accordance with the Army's promotion list for active duty officers, which is based on Armed Forces regulations.

The general order also states that all promotions and some transfers regarded as routine will enter into force on 1 January 1991.

Guatemala

Police Report Largest Drug Seizure in History

PA0101142591 Guatemala City Teleonce Television in Spanish 0330 GMT 31 Dec 90

[Text] The Civil Protection System [Siproci] has seized approximately 2,000 kg of cocaine over the past week, worth 19.5 billion quetzales. Treasury Police Director Cesar Rivera said the most important confiscation took place on 27 and 28 December in Zacapa, Zacapa Department, and Boca del Monte, Guatemala Department.

[Begin recording] [Rivera] The Siproci carried out a search operation in the Boca del Monte area last night. The people inside a Volkswagen van, with private license plate No. 91647, did not stop when they were told to. We pursued them until they were caught on 47th Street and Petapa Avenue, in Zone 12. This happened in front of building No. 47-35. Also searched was a 1986 Nissan pick-up truck that was nearby. The driver of the van, Roberto Rafael Munoz Lima, and his companion Jose Luis Chacon Cruz had 622 kg of cocaine inside nylon bags.

We also found 900 kg of cocaine inside the pick-up truck. Luis Moises Chacon Rosales, Victor Manuel Garcia Chacon, and Carlos Henriquez Castellano Lopez were inside the truck. When the security forces questioned these men, they said they had picked up the drugs at a house in Los Alamos, Boca del Monte Jurisdiction. The appropriate court was asked to issue a search warrant to enter the home. These men said that they belonged to a drug trafficking gang headed by Arnoldo Vagas Estrada, Victor Manuel Escobar, and [name indistinct].

These men were turned over to Guatemala City's 18th Zone court. They are now in that zone's jail. In all, we seized 1,522 kg of cocaine, worth 19.5 billon quetzales.

[Reporter] Is this the largest drug seizure so far?

[Rivera] Yes, the amount of drugs seized and their value are the largest in Guatemala's history. This represents the largest drug seizure by the country's security forces.

[Reporter] Can you give details of the weapons seized?

[Rivera] The search of Arnoldo Vargas Estrada's home in the city of Mesacapa led to the discovery of the following weapons: one AK-47 rifle; one FAL rifle; one IMI UZI submachine gun; five .12-caliber rifles; three .22-caliber rifles; one .30-caliber carbine; seven pistols, .45-caliber and 9-mm; five .38-caliber weapons; two fragmentation grenades; one bulletproof vest, and a large amount of ammunition for these weapons. The weapons were given to the court and are now in the Army's

warehouse, because these types of weapons are only used by the military. [end recording]

Nicaragua

Dreyfus on Charges of Weapons Transfer to FMLN

PA0101203491 Paris AFP in Spanish 1939 GMT 1 Jan 91

[Text] Managua, 1 Jan (AFP)—Foreign Minister Enrique Dreyfus reiterated today Nicaragua's pledge "not to allow the use of its territory for attacks on others." The foreign minister was commenting on the U.S. State Department's charge that weapons from the Nicaraguan Army are being shipped to the Salvadoran guerrillas.

Dreyfus told AFP that if Washington's charge is true, such shipments will have taken place "against the will of the government" headed by Violeta Barrios de Chamorro, who is also supreme head of the Armed Forces.

Although the foreign minister said the Nicaraguan Government "has not yet received any official communication" from the State Department on arms transshipments, "in the next few days, the Foreign Ministry in Managua will announce the official position on the subject."

On 31 December, the U.S. State Department reported that it has "reports which indicate that arms shipments from Nicaragua to Salvadoran and Honduran guerrillas have continued, and that other shipments are planned." In November, the Nicaraguan Army was implicated in the delivery of antiaircraft missions to the Farabundo Marti National Liberation Front guerrillas of El Salvador, which used the weapons for the first time during an offensive against the Salvadoran Army that month.

Army Admits Group Provided Weapons

PA0101225091 Mexico City NOTIMEX in Spanish 2231 GMT 1 Jan 90

[Text] Managua, 1 Jan (NOTIMEX)—The Sandinist People's Army today admitted that a group of military men provided some antiaircraft weapons to Salvadoran insurgents of the FMLN [Farabundo Marti National Liberation Front].

Details of Weapons Sales

PA0201002391 Mexico City NOTIMEX in Spanish 2323 GMT 1 Jan 91

[Text] Managua, 1 Jan (NOTIMEX)—The Sandinist People's Army (EPS) admitted today that some top ranking officers had sold antiaircraft weapons to the Salvadoran guerrillas in October. The EPS General Command issued a communique today that said that a group of officers stole and then sold some antiaircraft missiles to the Farabundo Marti National Liberation Front (FMLN) "for thousands of dollars."

The EPS communique stated that the weapons, including six SA-14 missiles with 16 rockets and two SAM-7 missiles with 12 rockets, were delivered through "clandestine contacts" in Managua to FMLN leader Joaquin Villalobos.

"The Salvadoran guerrillas illegally used Nicaraguan territory to smuggle the weapons into El Salvador," the communique added.

Former Major Odell Ortega, Captains Donald Argenal, Miguel Angel Parrales, and Reynerio Padilla Alvarez, and 12 civilians implicated in this operation were captured in December, the EPS note stated. The military institution also confirmed that the SAM-7 surface-to-air missiles used in the last FMLN offensive in November came from a group given to the EPS by the Soviet Army in February 1986.

Salvadoran authorities sent to the Soviet Union, through the U.S. State Department, the serial number of the missile used to fire at a Salvadoran aircraft. "The Weapons Directorate has confirmed that the numbering corresponds to the kind of missile the Soviet Army supplied the EPS," the EPS General Command said.

A commission comprised of Soviet military and civilian personnel will conduct an investigation to confirm the "illegal removal of the weapons from our institution," a fact that does not constitute a violation of the agreements between the USSR and Nicaragua, the Nicaraguan Army said. These agreements state that "under no circumstances is the EPS allowed to deliver to third parties any weapon or ammunition provided by the USSR to Nicaragua, without the Soviet Union's authorization," the communique stated.

Panama

Endara Responds to Charges From Legislator

PA3112134890 Panama City EL SIGLO in Spanish 29 Dec 90 p 6

[Letter from President Guillermo Endara Galimany to Honorable Legislator Gloria Moreno de Lopez; date not given]

[Text] Honorable Legislator Gloria Moreno de Lopez

Honorable Legislator:

I must refer to your statements which appeared in today's newspapers. You have said that the actions of the executive branch concerning its security services are illegal and punishable.

For the public's peace of mind, it would be helpful if you researched the facts before criticizing. The following is a list of facts, not speculation.

First. Cabinet decree No. 38 of 10 February 1990 created the Public Security and National Defense Council. Please see Article 16 of said decree. This council has an executive secretary who reports and responds directly to the president of the Republic.

Second. The mentioned cabinet decree is based on the Statute of Immediate Return to Full Constitutional Order. The country was governed under this statute until the Legislative Assembly was installed on 1 March 1990. Based on this same statute we proceeded to count the votes which allowed you to get your credentials and to begin your work as a legislator. Thus, your credentials and the Public Security and National Defense Council have the same legal basis.

Third. Executive resolutions No. 18, 21, and 23 of 25 June, 13 July, and 18 July 1990, respectively, established the council's executive secretariat and its modus operandi. These resolutions were issued and approved. Furthermore, the resolutions strictly adhered to the procedures established by the Legislative Assembly when it approved the 1990 budget. All the mentioned resolutions were duly approved by the budget commission as the budget commission's president has already clarified.

Fourth. The 1991 national budget, which was recently approved by you and sanctioned by me today, included the necessary allotment for the operation of the Public Security and National Defense Council and its executive secretariat. Refer to Article 3 of Law 32 of 20 December 1990.

Fifth. The state's security operations and the gathering and study of relevant information are tasks carried out by all governments. Countries with democratic systems, like Costa Rica and Venezuela, carry out security activities in a routine and normal manner. These tasks are totally unrelated to espionage, as you have charged.

When I set up and organized my government, I studied the places where the security services could be established more effectively. One of the options was to leave the services where they had been previously, at the D-2 Department [replaced the former intelligence offices known as G-2] of the Public Forces, which currently has several hundred members.

I do not know if you would have preferred this alternative. I believed, however, that it was better to place this office under the Presidency and for its members to respond directly to the president who was democratically chosen by the people. A president elected by the people should handle information on state security, not an appointed official.

Finally, with all the respect you deserve as a legislator and as a lady, I want to call your attention to the fact that ours is a coalition government and that we requested the people's vote as such. I do not believe it is fair for the executive branch to fully respect its commmitment to the people without the legislative branch having a similar attitude.

With my highest consideration and esteem,
Very truly yours,
Guillermo Endara Galimany
President of the Republic

Assembly Chides Endara

PA0101154791 Panama City EL PANAMA AMERICA in Spanish 30 Dec 90 p 1-A

[Article by Juan Pritsiolas and Orlando Mendieta]

[Text] Yesterday the Legislative Assembly protested the "disrespectful and offensive manner" in which President Guillermo Endara Galimany has treated Legislator Gloria Moreno de Lopez and has created an ad hoc commission to investigate the operations of a security office that operates at the Presidency and is headed by Dr. Menalco Solis.

The proposal received the support of all the legislators and only Lucas Zarak, second vice president of the Legislative Assembly and Endara's fellow party member, expressed his disagreement with the decision.

On 28 December President Endara sent a note to Legislator Lopez in which he suggested that she learn more before criticizing the Public Security and National Defense Council, whose executive secretary is Menalco Solis, a former minister of the former regime.

Newspapers from the U.S. have reported recently that there is an office in Panama which is sort of an espionage agency, whose members were trained by the CIA, Taiwan, and Venezuela. Endara claimed that the council gathers and analyzes information for state security but "has nothing to do with espionage activities."

In his note President Endara said the cabinet decree creating the office is based on the Statute of Immediate Return to Full Constitutional Order which was also the basis for the counting of the votes that allowed the legislators to receive their credentials.

The Legislative Assembly believes that implying that the legitimacy of the Legislative Branch is based on the will of an Executive Branch decree is "insulting" because the credentials of its members have the material and legal backing of the people who cast their votes.

The document issued by the Legislative Assembly stresses that it is the inescapable constitutional duty of the members of the chamber to review the activities of the other branches of the state to ensure the balance that is necessary in every democracy, and that is why several legislators expressed their opinion regarding the council comments that unleashed "an inordinate and disrespectful" reaction from the executive branch.

The document issued by the legislators says that the ad hoc commission will investigate the nature, legitimacy, and legality of the operations of the said office. The members of the commission will be Gloria Moreno de Lopez (president),

Leo Gonzalez (vice president), Aurelio Alba, Alberto Cigarruista, and Gerardo Gonzalaz.

The commission will also be responsible for investigating whether it is "proper for a known high-ranking official during the dictatorial period" to be the executive secretary of that security office. The members of the committee will present their report to the Assembly in March.

The resolution says that Presidency Minister Julio Harris will be summoned to present a full report on the aforementioned issues, and demands that Endara "immediately implement the corrective measures that the people have been loudly demanding every day."

Meanwhile, Legislator Gloria Morena de Lopez said Endara's letter was "highly offensive, rude, and irresponsible," adding that it was delivered to her marked confidential, but a copy was distributed by the Presidency to the media.

She also said that the dissemination of the letter has caused much damage to the government, adding that perhaps this was the advisers' goal when they sent it to the media.

In addition, Lucas Zarak said it was "painful" to see the Assembly acting so "angrily" and not as it should.

Furthermore, President Guillermo Endara Galimany immediately made a statement concerning the resolution approved by the Legislative Assembly yesterday at noon.

President Endara said that the "Legislative Assembly's resolution violates Article 157, paragraph 2, of the national Constitution because the resolution is aimed at meddling in affairs that are the exclusive purview of the executive branch."

In fact, he added, his responsibility is to protect the country's public security and national defense and just as he respects the legislative branch, he will not let the Legislative Assembly be disrespectful toward him or meddle in his affairs.

The president also said that "it seems as though some legislators are trying the abolish the Security and Defense Information Service, which responds directly to the president, so that the Public Forces' Intelligence Service can continue."

'Office of Spies' Secretary Solis Resigns

PA0101163391 Panama City ACAN in Spanish 1513 GMT 1 Jan 91

[Text] Panama City, 1 Jan (ACAN-EFE)—Menalco Solis has resigned from the office of executive secretary of the Public Security and National Defense Council. The creation of the Public Security and National Defense Council had been kept a secret and its existence was disclosed last week. This disclosure caused a confrontation between the Legislative Assembly and President Guillermo Endara.

In a letter dated 31 December and published in today's newspapers, Solis advises President Endara that he is resigning because of the "lack of trust" that the members of the Legislative Assembly and some journalists have expressed in his ability to run the organization.

Solis, Endara's friend and associate, was a minister during the days of the former military regime. This has become one of the main reasons for criticism by the legislators and other Panamanian sectors.

In his letter, Menalco Solis said that "I have never, publicly or privately, been a member of any political party. Whenever I have been invited to work with a government, however, I have considered this to be a call from the homeland, something that cannot be ignored.

"I have made many mistakes in my private and professional life, but I have nothing to be ashamed of regarding my public life," Solis stresses in his letter.

The confrontation between the legislators and Endara began a week ago when Panamanian and foreign newspapers disclosed that an office, which some people have described as "an office of spies," has been operating at the Presidency since February and that the people who work for this office have been trained by the U.S. Central Intelligence Agency with the support of the Venezuelan and Taiwanese governments.

Several legislators said that the creation of that office is an attempt to revive the feared military security service (G-2) that operated during the regime of Manuel Antonio Noriega. The G-2 was disbanded after Noriega was overthrown by the U.S. invasion in December 1989.

Last week Endara sent a letter to Legislator Gloria Moreno de Lopez, one of the main opposers of the Public Security and National Defense Council, telling her that the council was created based on the same decree in which the executive branch ordered the counting of the votes cast during the 7 May 1989 elections which were annulled by the Noriega regime. This vote count allowed the formation of the current Legislative Assembly.

The legislators think it is "offensive" that the president should say that their legitimacy is in doubt or that it depends on the executive branch rather than on the result of the votes cast by the people.

This weekend the legislators issued a resolution in which they censored the president and appointed a special commission to investigate how the council was created and who operates it.

Paper Carries Resignation Letter

PA0201123291 Panama City CRITICA LIBRE in Spanish 1 Jan 91 pp 24, 13

[Letter sent by Menalco Solis, executive secretary of the Council for Public Security and National Defense, to President Guillermo Endara in Panama City; date not given]

[Text] Mr. President: I hereby tender my resignation as executive secretary of the Council for Public Security and National Defense, to which you chose to appoint and honor me in June 1990.

The reason for my decision is that I do not want the aforementioned position and the delicate duties of the Council to be affected by any lack of trust in me, which has been expressed by members of the Legislative Assembly and some branches of the news media.

I have never publicly or informally belonged to any political party. On the occasions I have been invited to participate in the government, however, I have considered it a call by the fatherland that cannot be ignored, as my uncle and mentor, Galileo Solis, always advised me.

For that reason, in 1965 I accepted the invitation by President Marcos Robles to hold the post of general revenues director, a job I held until I was offered a position at an international tax organization.

In 1982, President Ricardo de la Espriella, in a government that envisioned amendments to the Constitution, the approval of the electoral code, and a democratic relaxation, invited me to work for him as planning and economic policy minister. I left that position when President de la Espriella was forced to resign. In 1984, Nicolas Ardito Barletta, my personal friend for over 20 years, asked me to hold the post of minister of finance and treasury. I held that post for six months and left the government when Ardito Barletta was forced to resign.

Since then, until you invited me to cooperate with you, I have devoted myself to the activities of my private practice.

I have made many mistakes in my professional and private life, but I have nothing to be ashamed of in my public life.

That is why I am deeply pained to have to tender my resignation, owing to the lack of confidence that so many legislators and some written and voice news media have expressed regarding my suitability for this post.

You know, however, that I remain at your service today and tomorrow in whatever specific or private activity I may conduct.

Sincerely yours,
Menalco Solis

Endara Confirms Solis in Post

PA0201140991 Panama City ACAN in Spanish 1322 GMT 2 Jan 91

[Excerpt] Panama City, 2 Jan (ACAN-EFE)—Panamanian President Guillermo Endara today confirmed Menalco Solis in his post as executive secretary of the Public Security Council. Solis resigned on Monday, citing the "lack of confidence" shown by the Legislative Assembly in his suitability for the post.

In a letter published in the local press today, Endara told Solis that he is not accepting the resignation and that "much to the contrary, I confirm and ratify your appointment to that post, made in June."

"There is no reason whatsoever to change the decision I made at the time. I consider it to be totally irrelevant that some members of the Legislative Assembly and some media might lack confidence in you," Endara said.

He added: "What is relevant is the confidence that I, as president of the Republic, feel in your ability and loyalty to me, to my office, and to the democratic institutions that we are building and strengthening." [passage omitted]

Creation of Intelligence Service Decried

PA0101142491 Panama City LA PRENSA in Spanish 30 Dec 90 p 1

["As of Today" column]

[Text] "Intelligence services" are dangerous for the people. The good aims which prompted the creators of these services are quickly forgotten by those appointed to provide the services. The KGB was created to watch and fight the counterrevolution. Once the danger was over, the Soviet leaders committed the unpardonable mistake of not dismantling the KGB. It was left intact. Once it lacked any real enemies, the KGB turned against its creators and destroyed them.

The Gestapo was the only intelligence service created to be an instrument of state terrorism. The history of these two criminal organizations was soon forgotten, and in the height of the cold war, the United States betrayed the political legacy of its forefathers by creating the CIA. The CIA's intrigues and adventures have greatly discredited the United States.

President Endara, heeding bad advice, is committing the same mistake, in Panama. To make matters worse, he has placed Menalco Solis, a member of the dictatorship, at the head of the intelligence service. It has been reported that the CIA, Noriega's ally until 1989, is providing advice. The dispatches from foreign newspapers have raised a healthy hue and cry in Panama. Fortunately, even the Assembly has decided to investigate the matter.

We must all get together to strangle this monster in its cradle before it grows and destroys all of us.

Labor Organization Voices Support for Government

PA3112132490 Panama City LA PRENSA in Spanish 28 Dec 90 p 2-A

[Report by Elkilia Santos]

[Text] The Confederation of Panamanian Workers [CGTP] has reiterated its support and defense of democracy and has strongly rejected coups d'etat or changes in government stemming from anything other than the popular vote.

The CGTP, which has emerged as a democratic, autonomous, and independent labor organization, met on the 16, 17, and 18 December. At this meeting 122 delegates participated, representing all the labor organizations and sectors.

A manifesto was signed by Mariano Mena, the secretary general, Jose Antonio Simiti, Osvaldo de la Guardia, Luis Leon, Jorge Luis Castillo, and Samuel Rivera and others. The manifesto says that the group will fight for a strong and dynamic country that will guarantee the nation's sovereignty.

The CGTP said that there is a serious economic and social crisis which is the result of the dictatorial regime's economic policies as well as part of the business sector's lust for wealth. They accuse this sector of wanting to take advantage of crisis to get richer, thereby ignoring the workers' needs.

The workers also charged that a campaign is being waged to discredit the labor movement in order to eliminate opposition to unfair economic and anti-social policies.

The CGTP urged the government to call for a nationwide dialogue with the participation of the executive and the legislative branches, businessmen, political parties, the church, social organizations, civic and cultural institutions as well as the labor confederations and organizations.

Also, the CGTP demanded the payment of the 13th month bonus, the repeal of Law 13—which eliminates collective bargaining—the repeal of Law 25, as well as the war laws established by the dictatorial regime which still remain in effect.

To conclude the CGTP demanded: validation of union rights, control over collective bargaining and labor unions, the approval of a law governing civil service, renovation and restructuring of the Social Security law, and the nonpayment of the foreign debt.

Paramilitary Groups Reported in Cerro Azul

PA2912001490 Panama City EL PERIODICO in Spanish 26 Dec 90 p 1

[Text] A paramilitary force linked to a Central American Christian Democratic faction is operating a training camp in the Cerro Azul area in Panama. According to local reports, the commander in charge of the paramilitary group, which allegedly supports a faction of the current government, is called "Commander Shadow" [Sombra].

A local corregimiento representative reported on the presence of paramilitary groups in Cerro Azul, which have been linked to guerrilla activities. The authorities, however, have kept silent about the constant reports.

It is interesting to note that, according to local observers, it was Panama City Mayor Guillermo Cochez, of the Christian Democratic Party, who hastened to refute the corregimiento representative. The latter, however, stands firm with his contention that there are armed men roaming the area.

Some Panamanian sectors have tried to justify the presence of the paramilitary groups saying that they could be useful in confronting probable new rebellions in the Public Force and that, in addition, these groups enjoy the confidence of a government sector.

Police checkpoints, which have been used to search for arms or alleged guerrillas in Pacora, Tocumen, and Pedregal, have also been established in Chiriqui Province—a report that EL PERIODICO correspondents have confirmed.

In the Tole and Chorcha areas, passengers must get out of their vehicles and be searched. The authorities, however, have not explained this procedure, which violates the passengers' constitutional rights.

Ex-Officers Implicated in Murder of U.S. Citizen

PA2912155090 Panama City CRITICA LIBRE in Spanish 28 Dec 90 p 24

[Article by Florencio Galvez F.]

[Text] Lawyer Nelson Rovetto, third court district attorney, has asked the second court of justice to call five former Panama Defense Forces officers for prosecution in their participation in the murders of U.S. citizen Raymond Dragseth and Fernando Braithwaite during the U.S. military invasion one year ago.

Military officers Juan Barria Jimenez, Roque Solis Iguala, Luis Carlos Chavez Rivas, Jorge Omar Jaen, and Ricardo Fernando King are mentioned as perpetrators of the criminal actions in the preliminary proceedings for Dragseth's case.

U.S. citizen Raymond Dragseth and Panamanian citizen Raymond Braithwaite, who worked at the U.S. Embassy in Panama, were arrested on 21 December by members of the elite UESAT (Special Antiterror Service Unit) group, taken to the police substation in Rio Abajo, and later executed in Chivo Chivo.

Dragseth, an expert in computer sciences, was forcibly removed from his home in the San Francisco area, while

Braithwaite, who was mistaken for a pro-U.S. spy, was kidnapped near his home by military officers who unconditionally supported former General Manuel Antonio Noriega.

Surinamese Government Denied Recognition

PA3112190090 Panama City ACAN in Spanish 1802 GMT 31 Dec 90

[Text] Panama City, 31 Dec (ACAN-EFE)—Panama will not recognize the Surinamese Government that resulted from the 23 December coup d'etat by soldiers of that South American nation. This was announced today by the Panamanian Foreign Ministry.

"No government born as a result of a military coup against a government legally chosen by the popular vote will be recognized," said the official communique condemning the action of the Surinamese soldiers.

Also, the Panamanian Foreign Ministry supports the call for an OAS foreign minister's meeting "to discuss this urgent problem," and to undertake "efficient measures to return the legitimate government as established by the Surinamese Constitution."

Parliament chose National Democratic Party leader Johan Kraag yesterday as "provisional president of the Republic. Kraag will replace Rasewak Shankar, who was overthrown in last week's military coup.

A law passed in September in Panama says that no foreign government resulting from a coup or fraudulent elections will be recognized by the government.

Foreign Ministry on Coup

PA0201123391 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Jan 91 pp 20, A-2

[Communique issued by the Foreign Ministry in Panama City on 31 December]

[Text] The Foreign Ministry reports:

Regarding the coup d'etat staged by the Armed Forces in Suriname against the democratic government of President Ramsewak Shankar, the Panamanian Government, during the special meeting of the OAS Permanent Council, has expressed its condemnation of this action because it violates the Constitution of Suriname and the principle of self-determination and prevents the Surinamese people from living in democracy.

During the Permanent Council meeting, the Panamanian delegation proposed that the member states take effective measures for the reestablishment of a legitimate government as the Surinamese Constitution establishes, that Article 60 of the OAS Charter be implemented, and that, therefore, for the good of Suriname and the countries of the continent, a consultation meeting of foreign ministers be convened to discuss this urgent problem.

The Foreign Ministry reports that the Panamanian Government will apply what is set forth in Decree 364 of 4 September 1990, which establishes that a government that emerges from a military coup against a government legally elected by popular vote will not be recognized.

Panama City, 31 December 1990.

Loaiza on Harm to Country if Gulf War Occurs

PA0101153291 Panama City EL SIGLO in Spanish 29 Dec 90 p 6

[Article by Aneldo Arosemena]

[Text] Technical Judicial Police [PTJ] Director Leslie Loaiza has disclosed that 75 percent of the world's criminals and terrorists pass through Panama, and he added that his agency has analyzed intelligence information which predicts that, in the event of an armed conflict between Iraq and the United States, our country may become the target of terrorist actions.

The police sleuth said that our country has historically been a traffic route which can be used for "good and bad things." Commenting further, he said that he and his personnel recently made did some analyzing and they came to the conclusion—along with Interpol experts—that 75 percent of the world's criminals or enemies of society have passed or will pass through our country. This includes terrorists, and drug traffickers—in sum, political and common criminals.

"Fortunately, very few of those well-known criminals or delinquents who have passed through our country still remain in Panamanian territory," the PTJ director added. He said that before 20 December, the organization, whose original name was the National Department of Investigation, DENI, had a computerized system which allowed him to know instantly the identity of people coming into the country. The equipment was destroyed, however, during the U.S. invasion on 20 December 1989. Loaiza stated his concern about the lack of information that the PTJ currently has on people who are entering the country because, he said, all kinds of dangerous criminals arrive here with forged papers.

Referring to possible repercussions in our country from a war between Iraq and the United States—a situation that will reportedly be defined by 15 January, if Saddam Husayn does not abide by the UN Security Council resolution demanding the immediate withdrawal of the Iraqi troops from Kuwait—Loaiza said that Panama can become the target of Iranian [as published] terrorists' attacks. Loaiza refused to identify the targets of those attacks, but he said that no one ignores the fact that the United States has, what he termed, "great interests."

Loaiza said that given its geographic position, Panama is a traffic route and, in the event of a war, it would become an important route for elements from the warring countries—which might engage in acts of intelligence gathering and terrorism. Also, he did not rule out the

possibility that these elements might seize Panama, given its privileged geographic position.

"It is no secret that the United States has great interests in Panama. Someone could attack certain targets or allied countries, and Panama is one of the countries that opposes the Iraqi troop presence in Kuwait," the police director said.

The PTJ director said that the situation in the Middle East, between the United States and Kuwait [as published], indirectly represents a national security problem for our country because of the reasons mentioned.

Bank Accounts of Spanish Drug Suspects Frozen

PA2812155890 Panama City EL PANAMA AMERICA in Spanish 26 Dec 90 p 14B

[Text] The Panamanian Prosecutor General's Office recently ordered freezing the accounts that 16 alleged Spanish drug traffickers, linked to the Medellin Cartel, had opened in Panamanian banks.

The accounts were frozen in response to a cooperation request made by Baltazar Garzon, a Spanish magistrate for preliminary proceedings, who since 1989 has been investigating the Galician mafiosi accused of smuggling tobbacco, hashish, and cocaine.

The alleged capos whose accounts have been frozen include Jose Ramon Prado (Sito Minanco), who lived in Panama; Vicente Otero, Laureano Oubina, Marcial Dorado Baulde, Jose Paz Carballo, Manuel Pardin Gestoso, Manuel Charlin Pomares, Manuel Charlin Gama, Celso Barreiros Rodriguez, Carlos Goyanes Gonzalez, and Daniel Carballo. The list also includes Alfredo Cordero, Alberto Vargas, Albino Paz Diz, Javier Martinez, and Luis Falcon Perez.

Magistrate Garzon has asked the Panamanian authorities to investigate each of the accounts involved, whether they are personal or in the name of corporations. He also requested a report on the deposits and withrawals recorded since the accounts were opened.

The Prosecutor General's Office is also investigating several Panamanian corporations that the capos used for alleged money laundering. Some of these corporations are Violetas Holding, Fashion Earrings, Pirville Ranger Corporation, Amerssham Finance Corporation, and Comercial Maderera del Noroeste.

Magistrate Garzon's request was accepted on the basis of Law 23 of 1986, which stipulates Panama's regulations for the control of drug trafficking and money laundering.

On a previous occasion, Magistrate Garzon requested the Technical Judicial Police to arrest capo Jose Ramon Prado (Sito Minanco), who was living in a luxurious condominium in Punta Paitilla. Minanco apparently is married to a daughter of a minister in the previous Panamanian Government.

[In a similar report, the 26 December issue of Panama City EL SIGLO in Spanish on page 8 adds that "Spanish criminal investigation officials will arrive in Panama shortly to start the investigations," which should lead to the arrest of these men. This report also adds the names of Jose Ramon Grau and Antonio Cebollero to those mentioned by EL PANAMA AMERICA.]

Argentina

Menem Comments on Anti-Pardon Demonstrations

PY3112144090 Madrid EFE in English 1345 GMT 31 Dec 90

[Text] Buenos Aires, Dec 31 (EFE)—Argentine President Carlos Menem described Monday [31 December] the angry demonstrations protesting presidential pardons for junta leaders as "an expression of total savagery."

Tens of thousands of demonstrators took to the streets Sunday in Argentina's main cities to protest presidential pardons for junta leaders jailed for human rights abuses against suspected leftists during the former military regimes.

The president also said he was disturbed by remarks made by former President Jorge Videla, one of those pardoned, who had said that apologies should be made to the Armed Forces for impugning its role in the battle against leftist subversives.

Speaking on Radio Mitre in Buenos Aires, the president said it was time for Argentina to forget the past. "Videla's attitude is not compatible with what the Argentine people want, which is to finish with these episodes for good," said the president.

According to press reports, some 40,000 people rallied Saturday in the capital's Plaza de Mayo to express their outrage at Saturday's pardons. Smaller rallies took place in other major cities throughout the country.

Wearing black armbands in remembrance of some 9,000 people who were killed or disappeared during the so-called 1976-1983 "Dirty War" against leftists, members of the crowed shouted angry slogans against the former junta leaders.

At the end of the "Day of National Mourning" rally in Buenos Aires, which was organized by human rights groups, trade unions, leftist organizations and most of the country's opposition parties, a statement was read out asserting that "truth and justice will finally triumph."

"The pardons are an insult to society's demands. They do not help close any wound from the past," said the statement which was read out by a member of the Mothers of the Plaza de Mayo group. The women, whose relatives were among those killed in the military crackdown, have held daily protests in the square since the late 1970s to demand justice against the killers.

Speaking from his hometown La Rioja, 1,250 km northwest of Buenos Aires, Menem told reporters he could "carry his head high" after pardoning a total of 12 people and gave himself credit for showing "responsibility, generosity and a certain dose of courage" in issuing the pardons. Menem had come under fire from human rights groups, almost all opposition parties and many clergymen over the pardons while a recent opinion poll indicated that most Argentines were against the measure.

Argentina's ambassador to the United Nations Human Rights Commission, Julio Strassera, who was prosecutor at the 1985 trials of the junta leaders, announced Sunday he had resigned his post in protest.

Among those pardoned and released from jail on Saturday were former military Presidents Jorge Videla and Roberto Viola, ex-Navy commander Emilio Massera and former leftist guerrilla leader Mario Firmenich. Videla and Massera were each sentenced to life imprisonment on charges of kidnapping, murder and torture. Viola was sentenced to 16 and a half years at the 1985 trial. Firmenich had been serving a 30-year sentence on four counts of murder.

Also pardoned were Ramon Camps and Ovidio Ricchieri, both ex-Army generals who served as Buenos Aires chiefs of police. Camps was serving a 25-year prison term for 73 counts of torture and has claimed to be responsible for the deaths of what he called "5,000 subversives," while Ricchieri was serving 14 years for 20 counts of torture.

Alfonsin, Others React to Presidential Pardon

PY3112154090 Buenos Aires BUENOS AIRES HERALD in English 30 Dec 90 p 4

[Text] (NA-DYN)—Former President Raul Alfonsin yesterday described the decision of his successor Carlos Memen to pardon the military chiefs sentenced during his government for serious human rights violations as "an ethical and political surrender. [no closing quotation mark as published]

"Those who say that in order to achieve national unity our society must reconcile itself with crime are lying," said Alfonsin. The ex-head of state, who is spending his holidays with his family in Chascomus, underlined that "it is also false that in order to consolidate the democratic system it is necessary to wipe out the sentences ruled by constitutional judges."

Alfonsin answered the official statements contending that "the pardon decrees do not leave the past behind, but take us back to the worst features of our past."

The Radical leader, who ordered the historic trials of the 1976 military junta members, expressed his "concern over the fact that the government is trying to vindicate a perverse political system and its abhorrent methods and to justify those who take justice into their own hands and torture people to establish order."

Alfonsin was one of the dozens of political, religious, labour and social leaders who repudiated the pardons yesterday shortly before their official announcement. The list of comments—which will undoubtedly continue this week—included over the last few days almost all the important actors in the social, economic and political arena.

On the other hand, the presidential measure received the support of representatives of the political right, sectors

representing the interests of powerful industry and agriculture businessmen and those who unreservedly support the policies of the head of state.

The statements of support, widely outnumbered by those repudiating the pardons, were based on the idea that the presidential measures would bring pacification and reconciliation to Argentine society and "heal the wounds" of the past.

These opinions were included in communiques issued by the Integration and Development Movement (MID), the CGT [General Confederation of Labor]-San Martin, the Argentine Rural Society (SRA), Chamber of Commerce head Carlos de la Vega and some leaders of the ruling Justicialist Party.

Party interim chairman Eduardo Menem, the president's brother, admitted that the pardon "is a position that does not generate massive support in the population" but opposition and expressed his confidence in "the President's skill and intuition to make this measure take positive effect."

For their part, the organization of Relatives and Friends of those Killed by Subversion (FAMUS) issued a statement expressing their "gratitude" to the military chiefs who "confronted and defeated the revolutionary Marxist war."

The grouping stresses that "slander, lies and infamies did not damage the virtue that these men demonstrated with their upright and serene behaviour during the fulfillment of their patriotic missions as soldiers." The document concludes that "no legal decision is necessary to give them back what they never lost."

On the other hand, eight human rights organizations ratified their decision to demonstrate on Plaza de Mayo this afternoon at 6 pm to express their opposition to the pardons. The groups called yesterday "a day of protest and national mourning" and called on similar groups in the provinces to stage demonstrations in all cities and towns throughout the country.

In the main development inside the ruling party, the Group of Eight dissident Peronist deputies decided to leave the Justicialist bloc in the Lower House in repudiation of the pardons. The eight legislators said they will form the bloc "Peronist Movement" from now on.

Justicialist leaders German Abdala and Claudio Lozano decided to resign from the Justicialist National Council for the same reason. So far, at least seven national or metropolitan Justicialist authorities have resigned as a sign of protest over the pardons.

Menem Criticizes Comments by Ex-Commander Videla

PY3112160090 Buenos Aires TELAM in Spanish 1142 GMT 31 Dec 90

[Text] Buenos Aires, 31 Dec (TELAM)—In response to a question about a letter sent by Jorge Videla to the Army chief of staff, President Carlos Menem said Videla "has adopted an attitude that is out of keeping with what the Argentine people want, which is to bring a definitive end to this episode."

He added: "The only thing this type of attitude produces is uneasiness in the entire Argentine community because it reflects a disrespectful and inconsiderate position toward the people."

In statements to Radio Mitre, the president said: "I consider the matter to be totally closed with the pardon. The executive branch has nothing to do with it. Finally, it should be the people and their organizations, such as Congress, who take positions on the matter in due time."

Videla's letter stated that the Armed Forces permitted "the continuation of the republican and democratic system of government" and demanded support for all the actions undertaken during the illegal repression of subversion.

Menem wondered: "Who has to support the Army? The commander in chief, Army Chief of Staff General Bonnet, the Armed Forces, or the Argentine people? The matter is not very clear, and we should see what General Videla said on this topic. I will not get involved in a controversy with him because I do not want to. We took a very important and significant step, period."

Menem on Possible U.S. Reaction to Suarez Pardon

PY3112223290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2117 GMT 31 Dec 90

[Text] Buenos Aires, 31 Dec (NA)—President Carlos Menem this afternoon said: "If the United States protests over the pardon granted to former General Guillermo Suarez Mason, it is just too bad." He noted, however, that he has not yet received any message from George Bush's administration.

Commenting on the Colombian decision not to extradite drug traffickers wanted by the U.S. courts despite U.S. requests, Menem said: "The United States has not even voiced its protest."

Menem said he believes "there is even less chance of problems over someone who was extradited, like Suarez Mason," who was just pardoned.

Chief of Staff, Defense Minister Support Pardons

PY3101110091 Buenos Aires BUENOS AIRES HERALD in English 31 Dec 90

[Excerpt] (NA-DYN)—[Passage omitted] Army Chief-of-Staff Martin Bonnet was one of the small number of public figures to come out in favour of the pardons. Describing them as "an aspiration of the Armed Forces," Bonnet judged that Menem had acted "with courage and moral strength derived from a deeply-rooted conviction."

More support from within the military establishment came from Defence Minister Humberto Romero, who

argued that the pardons would serve to "leave behind everything that could divide the Argentine people."

The pardon policy was also backed by the CGT [General Confederation of Labor]-San Martin, the Argentine Federation of Chemical and Petrochemical Industry Workers, and the Montoneros Fernando Vaca Narvaja and Roberto Perdia.

Pardon Rift Prompts PJ Leaders' Resignation

PY3112174390 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2106 GMT 29 Dec 90

[Text] Buenos Aires, 29 Dec (NA)—National Deputy German Abdala has announced his resignation from the post of secretary general of the metropolitan branch of the Justicialist Party [PJ] on the grounds that the pardoning of the former commanders and of Montonero leader Mario Firmenich "involved the active or passive complicity of the authorities" of that party branch. Fifteen other Buenos Aires PJ members also have resigned their posts in the party.

Abdala stated: "In the wake of the ethical aberration of the granting of pardons with the active or passive complicity of PJ authorities, we consider that because of our Peronist devotion to change we are unable to remain in the posts to which we were elected."

Abdala is a leader of the Buenos Aires ATE [Association of State Workers] branch. He said: "The pardoning of those responsible for the thousands of crimes and for the missing and tortured people, which the president has ordered despite the opposition of the majority of the population, marks the crowning point of a process of disregard for the people's will, which was expressed in the ballot boxes on 14 May 1989."

After warning that "the PJ, both at a national level and in Buenos Aires, has approved and endorsed the government decision," Abdala stressed that the Buenos Aires PJ "has become an empty structure that serves only to approve the actions of the mayor and to distribute City Hall funds."

He explained that his resignation "by no means implies having abandoned Peronism; on the contrary, it is an attempt to recover the ideals that the Menem-led sector has chosen to disregard from its position in the government."

The group of eight, which is made up of Abdala, Carlos "Cacho" Alvarez, Juan Pablo Cafiero, Franco Caviglia, Moises Fontela, Luis Bruneti, Dario Alessandro, and Jose Carlos Ramos, has decided to leave the "pro-Menem bloc of deputies" because of the president's decision to pardon "those who were mainly responsible for the violence and tragedy that the Argentine people suffered."

The attitude of the dissident group will lead to the "creation of the 'Peronist Movement' bloc" in the Chamber of Deputies. This represents a split from the bloc led by Mendoza leader Jose Luis Manzano.

* Cavallo's Future, Malvinas Issue Viewed

91SM0126A Buenos Aires LA PRENSA in Spanish 23 Nov 90 p 7

[Report by Matilde Fierro]

[Text] It seems that Foreign Minister Cavallo will have to decide whether to run for governor of Cordoba Province sooner than expected. It is absolutely essential for President Carlos Menem to have the home front assured and not to have too many Menem-faction candidates running in Cordoba.

Last night Domingo Cavallo had to appear on all of the mass media that were available to him to make several clarifications about the fisheries issue and the negotiations with Great Britain. "Either Cavallo reaches a respectable agreement with the English, or he marches off to the provincial elections in '91," is the bluntest analysis. Yet the thinking is that the conversations with the British could decide how much time this economist who is serving as foreign minister has left.

Secrecy is a serious issue that the Foreign Ministry will at some point have to do something about. Argentina's new approach is two-pronged: make the lobbies more upfront, and take prevailing public opinion into account. Both goals entail a proper evaluation of information and how to report it. Silence is a habit that the Foreign Relations Ministry observes to the utmost. The Malvinas are an excellent example.

The Kelpers

Realizing the value of a well-structured lobby and of playing on public anxieties, the government of the Malvinas Islands has always engaged in this activity. In October of last year, when Argentina and Great Britain held their first talks since the end of the war in 1982, its influence was quite obvious.

- Margaret Thatcher, who was in Malaysia at the time, personally monitored the ups and downs of these talks, which were chaired by Sir Crispin Tickell and, representing Argentina, Ambassador Lucio Garcia del Solar. The prime minister fashioned her country's strategy by fax.
- The kelper lobby in London was clearly applying pressure.
- Great Britain announced unilaterally on this occasion that it was extending its jurisdiction from three to 12 miles around the archipelago.
- Argentina replied that it was shifting from 200-mile to 12-mile territorial waters, with the remaining waters up to 200 miles to be called an exclusive economic zone. Garcia del Solar added that the bill for this purpose was before Congress. Argentina's maritime territory is still under discussion today.

- England also decided to have the fisheries conservation zone (FICZ) coincide with the military protection zone (FIPZ), both spanning 150 miles. In practice, this was already the case.
- The British never stopped abiding by the international law guideline that recognizes a 200-mile exclusive economic zone for coastal States.
- The British Government later lifted the military zone but kept the FICZ in place.
- The fisheries issue was expressly sidestepped in Madrid in 1989 because it was regarded as closest to the issue of sovereignty.
- It could have been concluded from this first meeting (which was a success owing to the level of the talks) that Great Britain was subliminally paving the way to act through the Malvinas government as a coastal State.

The Foreign Ministry's regular spokesmen denied this presumption, but the interests of the islands and of Britain on the fisheries issue have never been a mystery.

Interests and Probabilities

The government of the islands has been a silent, uninvited guest at the successive talks between Argentina and Great Britain, a guest who must not be referred to by name because that would mean negotiations among three principals.

Nevertheless, the kelper government and its interests have always been explicit. During the drafting of the final document in 1989 reference was even made to the need not to hurt the feelings of the archipelago's inhabitants.

The British seem determined not to lift the fisheries conservation zone. The question is: Once all hope is gone, will Argentina again take the Radical Party's quite fateful approach of trying to have third countries fish for squid in waters that the British claim as their own?

The impasse approach will likely be chosen today in Madrid so that the negotiations are not regarded as a failure. It would be a bad sign if Argentina came back with another postponement in its suitcases....

The British have hardened their line. In our country, owing to the conflicting interests and the confused negotiating style of the various sectors, our negotiators have been unable to put anything other than sovereignty on the table.

If Great Britain did not come out with the unilateral statement that Cavallo and the British ambassador denied (an assertion that British MP's Peter Beck and John King, who were in Buenos Aires this week to attend the seminar organized by EURAL [European Air Lines], reaffirmed in smaller circles), then this "trial balloon" could have been sent up to apply pressure.

A week ago the most optimistic analysts were talking about more than just bilateral conservation and research activities, even though neither of the two countries is doing research in the South Atlantic, given the risks it entails.

For now, the day seems far off when the two countries will be able to put together an intelligent, fruitful form of joint administration. The overt or covert unilateral moves definitely suggest that England and Argentina will be negotiating separately and ever more freely with other countries, whether through fishing permits or quotas.

The new fisheries bill, in which officials of the Foreign Ministry, the Undersecretariat of Agriculture, Livestock, and Fisheries, and Senator Rubeo's adviser have placed cautious hopes, has come before the Senate.

One of its articles envisages fishing as the "creation of a free zone in the Argentine economy."

The head of the Legal Office of the Foreign Relations Ministry, who is also taking part in the negotiations with Great Britain, was reportedly involved in drafting the bill.

The new round that begins today, Friday, in Madrid is crucial, but Margaret Thatcher's decision to wind down her political career further complicates the situation. A new phase is beginning, and some initial accommodation is to be expected. They must also consider the interests of the European Economic Community, which pursuant to a 20 January 1989 decision of the European Parliament says that it is entitled to have access to the 200-mile zone around the archipelago. Cavallo, who will be a candidate for governor or our foreign minister until 1995, will have to give more serious consideration to the fact that the various interest groups in Argentina need to work with the Foreign Ministry. In this connection, more than just the extinction of the Ilex variety of squid or overfishing by foreign vessels at mile 201 is at stake; the economic future of the region, which the government wants to declare a free zone, is in jeopardy. Public opinion is influenced by full and accurate information. The kelpers and the British know a great deal about this indeed.

Families To Be Pulled Out of Iraq 10 Jan

PY3112193490 Buenos Aires Domestic Service in Spanish 1500 GMT 31 Dec 90

[Text] Defense Minister Humberto Romero has announced that the executive branch will provide two Air Force planes on 10 January so that the Argentine families remaining in the Persian Gulf area can be evacuated from the conflict zone.

The minister said that final details are being put together through the Argentine Embassy in Iraq to establish a Saudi Arabia-Rome-Paris air bridge to evacuate the Argentines from the theater. The two Argentine Air Force planes will be available two days before the scheduled date for fear, the minister said, that Iraqi airspace might

be closed as the date of the U.S. ultimatum [as heard] for Saddam Husayn's troops to withdraw from Kuwait approaches.

Accompanied by Alberto Kohan, the public health and social action minister, and Joint Staff Chief Admiral Emilio Osses, Minister Romero talked to the press in the VIP room at the Ezeiza Airport after their arrival from the conflict zone where they shared Christmas celebrations with the Argentine troops stationed in the Persian Gulf.

Minister Romero said that the trip was very important because they were able to celebrate Christmas with those Argentines representing our country in a remote place where world peace is being threatened. He noted that the morale of those Argentine officers is good.

Brazil

Rezek Discusses Policy, Nation's Image

PY0201005091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Dec 90 p 3

[Interview with Foreign Minister Francisco Rezek by FOLHA DE SAO PAULO in his Brasilia office—date not given; article signed by Gilberto Dimenstein, director of the FOLHA DE SAO PAULO office in Brasilia]

[Text] [FOLHA] The traditional Brazilian image abroad is that of a folkloric country where human rights are not respected. Its most recent image is that of a swindler. Is this image changing?

[Rezek] A serious attempt to modify the Brazilian image abroad is under way and, more importantly, the attempt is also aimed at modifying Brazil's image at home.

[FOLHA] Do Brazilians have a better opinion of their country than foreigners have?

[Rezek] I believe the opinions are very similar. I am afraid we have a very poor opinion of ourselves. That would make sense if Brazil had not been living in a fully democratic system. In the last five years, our political system has been fully democratic, but this has not solved some of our social problems. As a matter of fact, they became worse. Brazil has been redeemed politically but not socially, and it will have to struggle a lot to succeed in doing so. All we can say is that there is political will to solve these problems. The murder of children, however, is undoubtedly a black blot on the Brazilian image that must be erased.

[FOLHA] Does the world realize that this change is taking place?

[Rezek] Yes, it does, and not only the foreign governments are aware of this change. The last bastions to defend this image of a Brazil of 10 years ago, however, are foreign congressmen and nongovernmental entities. There are misinformed congressmen even in Europe and in the United States. I believe, however, that Amnesty International is well informed.

[FOLHA] Despite all that, the international creditors are as irritated, or more, than before, and they still see Brazil as a chiseler.

[Rezek] The private creditors are extremely limited in their vision and in their analysis of the world's political scenario or of any other political scenario. Bankers have a short-term vision of things. They do not reason in the medium or long terms. All they are interested in is improving their balance sheets. They do not worry whether the transfer of resources will exhaust the debtor's ability to pay in the future. An international banker has no capacity for such reasoning. They are not worried about ecology, political peace, or social peace.

[FOLHA] Are the foreign governments really supporting the Brazilian renegotiation of its foreign debt, or do they also have a limited vision of things?

[Rezek] They try to support it. There is a fact that cannot be overlooked: It is the vulnerability of the powerful foreign governments to the action of lobbies. I was very impressed by the vulnerability of these governments to group interests. Take the European Community as an example. It defends the idea of granting subsidies to the agricultural sector, although it realizes that this attitude creates international imbalance and harms the poorest nations.

[FOLHA] Would you include the United States on the list of countries that are vulnerable to lobbies?

[Rezek] The U.S. people and government are perfectly aware of the need to help the poorer countries and to make the private creditors realize the needs of these countries. However, the private creditors exert intense pressure on the governments, are constantly making the governments aware of their existence, and can be very tiring in doing so.

[FOLHA] Do you believe that the European governments and the U.S. Government are aware that the foreign debt is not only a trade problem but can also worsen the social and political problems of the debtor countries?

[Rezek] They are aware of it, but they cannot admit it until we very clearly prove the theory to them.

[FOLHA] What do you mean by clearly prove it them? Do you mean by staging street riots?

[Rezek] I sincerely hope we are not forced to resort to that. The thing is that, through certain signs, the seriousness of a situation is finally made clear.

[FOLHA] What has the Brazilian Government been doing to get the foreign governments committed to the Brazilian renegotiation of its foreign debt and to finally end the influence of the lobbies?

[Rezek] Our political dialogue is entirely focused on that. All private meetings are centered on that and warn the foreign governments about that. We have never heard any argument against our position. All they have ever told us is that we must be understanding about the intense pressures that are exerted on them that prevent them from helping us further.

[FOLHA] Do you believe President Bush's Americas Initiative has been well received?

[Rezek] Within its limitations, the initiative was well received. It is not as ambitious an idea as the Southern Cone common market. A lot has been said about Latin America in the last decades, but only now can we talk about a real process of Latin American integration. There is an irreversible political will to establish a common market by 1994.

[FOLHA] In other words, you do not believe in Bush's proposal?

[Rezek] I believe that international barriers will be torn down to increase productivity. Brazil can face this prospect from a superior position in view of Brazilian flexibility and adaptability, i.e., in view of our capacity to redefine our activities. This is an important trump card in the hands of the Brazilian people.

[FOLHA] How did you react to the harsh criticism of Brazil by Japanese businessmen, such as the criticism by the Nippon Steel chairman during an exclusive interview with FOLHA?

[Rezek] I was very surprised at the Japanese businessmen's criticism of Brazil, particularly because they did not use the language considered appropriate by the Japanese tradition to deal with these matters. They sometimes seem to be acting as spokesmen for certain governments that become aggressive when discussing political matters. Nevertheless, we are calm because this is not the Japanese Government position in this regard. The Japanese public administration and the Japanese entrepreneurial leaders do not seem open to this aggressive language that, besides being impolite, is obtuse. It is obtuse because it leads nowhere. Not even the United States would use such language in an attempt to intimidate us. These businessmen should engage in some self-criticism.

* Government To Release Export Subsidy Credit

91SM0127C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 4 Dec 90 p 1

[Article by Suely Caldas; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] A total of $300 million will be made available at low interest rates to encourage foreign sales.

Rio de Janeiro—The government is going to make nearly $300 million (43.5 billion cruzeiros) available to export firms as part of the export subsidy credit system in an attempt to revive foreign sales—chiefly of machinery, equipment, and special-order goods such as ships, aircraft, vehicles, and household electrical appliances. For that purpose, the government will use two credit instruments inherited from previous administrations: Resolutions No. 509 of the National Monetary Council and No. 68 of the Central Bank. Those resolutions allow the Treasury to waive a portion of the interest rate charged on those transactions or to grant direct loans to the firms from its own funds.

The terms and interest rates vary according to the product and the purchasing country. The rate will be based on the average charged in the developed countries—currently close to 9 percent—with the Treasury waiving a portion of that rate (up to 2.5 percent). It is believed, then, that the lowest interest rate will be 6.5 percent, with the outstanding balance being adjusted in accordance with foreign exchange variations. These new transactions will include a mechanism not used by previous administrations: the subsidy built into the interest rate will be larger in the case of purchasing countries constituting a smaller payment risk (the United States, Japan, and Europe) and smaller in the case of importing countries presenting a larger payment risk. The government's intention is to try to avoid any more of the many breaches of contract that have occurred in the past in connection with commercial credit granted to African and Latin American countries.

The provisional measure establishing the new export credit rules has been drawn up and may be signed by the president of the republic within the next few days so that it can be sent to Congress before the recess beginning on the 15th. A rush of credit applications is expected as soon as that measure takes effect, with the result that the $300 million fund may be exhausted even before it is approved by Congress, since the recess will last until February. Since the volume of funds is extremely small (under previous administrations, as much as $2 billion was budgeted for exports), the government will have to impose certain restrictions—for example, by shortening the list of eligible products from 480 to only 220 and suspending transactions between firms belonging to the same group (for instance, exports by Brazilian Fiat to the parent company in Italy).

Chile

Government Condemns Military Coup in Suriname

PY0101023091 Santiago EL MERCURIO in Spanish 28 Dec 90 p C 4

[Text] Chilean Foreign Minister Enrique Silva Cimma said yesterday that the Chilean Government condemns and rejects the military coup that overthrew the democratic government of Suriname headed by President Ramsewak Shankar on Christmas Eve.

The foreign minister added that Chile has adhered to the Rio Group initiative condemning the military action

that, although bloodless, represents an attack on the civilian government of Suriname. The initiative also asks the military to return the government to the overthrown officials.

"The declaration will be issued in firm and resolute terms," he said. President Shankar is currently under house arrest.

Silva Cimma said that the political strength of a rejection as that proposed by Venezuela, coordinator of the Rio Group, is based on the concept of moral censure.

Moreover, the foreign minister said that at the Rio Group-European Community meeting in Rome, the Latin American countries and Mexico unanimously agreed to express their concern over Panama's situation. "Specifically, regarding the right to asylum that apparently has not been so well understood, according to reports by some embassies, and also regarding the need to regularize the situation of Panama because it appears a little confusing from the point of view of the free exercise of a democracy. [no closing quotation marks, sentence as published]

The foreign minister also reported that on 20 January he will leave for Madrid to meet with Chilean ambassadors to Europe.

"There we will agree and will establish ideas that are in keeping with Chile's European policy aimed at the full reinstatement of Chile in Europe," he said.

Official on Resumption of Relations With Cuba

PY3112212090 Madrid EFE in Spanish 1512 GMT 31 Dec 90

[Excerpt] Santiago, 31 Dec (EFE)—Chilean Foreign Minister Enrique Silva Cimma has announced that Chile probably will resume diplomatic relations with Cuba next autumn [which begins on 21 March 1991]. Relations between Chile and Cuba were severed 17 years ago after the Chilean military coup d'etat in 1973.

The Chilean foreign minister expressed hope that the obstacles preventing the resumption of relations with Cuba will be resolved by then. "It is essential for us to be sure that Cuba will not interfere in our democratic process," Silva Cimma said. [passage omitted]

Minister Notes Progress in Ties With Bolivia

PY3112205690 Madrid EFE in Spanish 1608 GMT 31 Dec 90

[Text] Santiago, 31 Dec (EFE)—Chilean Foreign Minister Enrique Silva Cimma today called the progress achieved in Chilean relations with Bolivia "historic." Chilean diplomatic relations with Bolivia have been severed since 1962.

"We are talking about an absolutely new plan," and "we have agreed to talk on matters that unite us," the Chilean foreign minister stated.

He added that within the next few months the two countries will firm up a free trade agreement, which he termed a "historical thrust" ["golpe historico"] in Chilean-Bolivian relations. The two countries fought a war in 1879.

As a result of this war, Bolivia lost its outlet to the Pacific Ocean, and it seeks a solution to the landlock issue as a condition to normalize relations with Chile, a country that claims to have absolutely no pending problem on the matter.

Carlos Cerda Appointed Military Court President

PY3112221090 Santiago EL MERCURIO in Spanish 27 Dec 90 p A-12

[Summary] Judge Carlos Cerda Fernandez has been appointed president of the Military Court [Corte Marcial] and will begin his activities on 1 January 1991.

The following judges of the Santiago Appellate Court have been appointed representatives before the Military Court: Carlos Cerda Fernandez and Juan Guzman Tapia before the First Military Court [Primera Sala]; and Domingo Kokisch and Gloria Olivares before the Second Military Court [Segunda Sala].

Ex-Intelligence Chief Released in La Cutufa Case

PY0101200691 Madrid EFE in Spanish 1413 GMT 1 Jan 91

[Excerpts] Santiago, 1 Jan (EFE)—Judge Marcos Libedinsky, who has been investigating the activities of the illegal La Cutufa financial enterprise, last night ordered the unconditional release of a former chief of the Chilean secret police who was held incommunicado for three days.

General Gustavo Abarzua Rivadeneira, retired, was released after being interrogated for more than 11 hours in connection with the activities of the financial enterprise that was carrying out its activities within the Army. Abarzua is a former chief of the National Inteligence Center (CNI) and of the Army Intelligence Directorate (DINE). [passage omitted]

Upon his release, Abarzua said his arrest was provoked by a "misunderstanding" stemming from his original written testimony before Judge Libedinsky a few weeks ago.

Abarzua said he does not harbor any harsh feelings for having spent three days incommunicado and described the judge as a "gentlemanly and respectful."

Judge Libedinsky also noted that Abarzua's arrest was prompted by a "misunderstanding," which has been straightened out thanks to the testimony of Captain Gaston Ramos Cid, one of the officers indicted in connection with the activities of the La Cutufa enterprise.

New Centrist Political Party Registered

PY3112234090 Santiago LA SEGUNDA in Spanish 27 Dec 90 p 11

[Summary] The Center Center Union [Union de Centro Centro], UCC, has been registered by the Electoral Service as a political party after submitting the names of 101,127 of its party members.

Its president is Jorge Gomez Balmaceda, but its main leader is former presidential candidate Francisco Javier Errazuriz.

New Naval Squadron Commander Installed

PY3112235090 Santiago EL MERCURIO in Spanish 28 Dec 90 p C4

[Summary] Vice Admiral Alfredo Gallegos Villalobos has been installed as the commander of the naval squadron. He replaces Vice Admiral Pedro Anguita Izquierdo.

Central Bank President Reports Net Reserves

PY0101021691 Santiago LA TERCERA DE LA HORA in Spanish 22 Dec 90 p 17

[Summary] Central Bank President Andres Bianchi has reported that the Chilean net reserves are $2.5 billion, which equals 10 months of imports.

* INE Releases Figures on Economic Indicators

91P40089A Santiago EL MERCURIO in Spanish 5 Dec 90 pp b-1, b-3

[Text] Yesterday, the National Statistics Institute (INE) released information on the economy's performance during the last few months.

Mineral Production

Production in the mining sector decreased by 5.1 percent during September in relation to September of 1989, according to INE's mineral production index.

Figures indicate that copper production fell 6.6 percent; gold rose 6.4 percent; silver increased by 6.8 percent; molybdenum fell 6.9 percent, and lead production decreased by 50.5 percent. Finally, production of zinc increased by 35 percent and carbon by 31 percent, whereas iron production decreased by 11 percent, manganese by 38 percent, and limestone by 5.9 percent.

Industrial Production

Industrial production in October increased by 0.5 percent compared to October of 1989. According to the INE data, of the 28 associations which comprise the index, 16 experienced increases and 21 decreases.

Sales also increased by 0.5 percent during this past October in relation to sales in October, 1989.

Petroleum and carbon derivatives registered the greatest increases with 44.4 percent and chemical products increased by 36.1 percent. Construction of transportation materials and porcelain and earthenware manufacturing suffered the greatest losses with decreases of 34.4 percent and 25.9 percent, respectively.

Harvested Wheat

The quantity of wheat harvested in September of this year rose 11.7 percent compared to September of 1989. Harvested wheat increased 6.8 percent during the first nine months of this year in relation to the same period last year.

Electricity Production

Electricity production this past September increased by 1.8 percent compared to September of 1989. Thermo- and hydroelectric production during the first nine months of this year was 2.5 percent greater than that generated during the same months in 1989.

Construction

Total acreage devoted to new construction decreased by 7.5 percent from January to September of this year compared to the same period in 1989. The number of [new] homes decreased 10.4 percent and acreage devoted to housing fell 9.9 percent.

Additions [to existing structures], on the other hand, increased 7.6 percent during the same time period. This represents a decrease of 12.4 percent in acreage devoted to housing, and increases of 17.8 percent and 30.6 percent devoted to industry and services, respectively.

Supermarket Sales

According to the periodic survey conducted by INE throughout the Metropolitan, II, V, VIII, and IX Regions, supermarket real sales have fallen by 4.8 percent. During the first ten months of this year, real sales rose 2 percent in relation to the same period in 1989 whereas during the last 12 months they fell 1.4 percent compared to real sales during the preceding 12 months.

* MJL Member Outlines Organization, Strategy

91WR0063A Santiago LA NACION in Spanish 21 Nov 90 pp 4-5

[Interview with slain Lautaro Youth Movement member Marcos Ariel Antonioletti by three University of Chile journalism students while he was being held in the Public Jail; date not given]

[Text] Seven days before his death, MJL [Lautaro Youth Movement] member Marcos Ariel Antonioletti gave what was to be a posthumous interview. In an interview arranged by the University of Chile's Journalism School, students Victoria Hernandez, Vesna Siglic and Susana Caceres spoke with the young radical in the Public Jail. During this conversation the MJL member confessed—

without showing any signs of remorse—that he had killed a policeman, though he did not identify the man who was killed. He revealed that about two years ago attempts were made to form a coordinating group linking the MJL, the military MIR [Movement of the Revolutionary Left] and the FPMR [Manuel Rodriguez Patriotic Front]. He also gave details about the MJL's internal operations.

When Antonioletti was a child he and his mother, Ana Maria Antonioletti, left Chile. He spent part of his adolescence in Venezuela, until he decided to return to Chile, against his mother's wishes. At first he lived with his maternal grandmother, in the same house where his remains were taken after his death.

He received part of his secondary education at the A-12 Secondary School, from which he was expelled as a result of the occupation of the school. He ended his secondary studies at the Lord Cochrane Secondary School. Later he entered the Pedro de Valdivia university preparation institute, and spent the year after that as an economics student at the Arcis Institute.

In 1984 he became radicalized, and moved away from the Communist Youth, which in his view of the struggle, had become almost "yellow."

In 1985 Ariel joined the Lautaro Youth Movement, choosing armed insurrection as his course of political action.

In 1989 Antonioletti and his companion were arrested and charged with murdering and seriously wounding policemen. "There were two of us there; it was his life or mine, and he lost," he said.

[Journalism Students] Why kill the police?

[Antonioletti] The pigs are in the street, and people get killed in armed confrontations. We cannot send a notice to the police station in advance before we attack people.

[Journalism Students] Is it selective sometimes?

[Antonioletti] The pigs represent the institution; it is not that the policeman is a specific individual police officer. When we kill the pigs it symbolizes the occupation of territory, which is becoming more and more extensive as time goes by.

For example, the actions in the building at 19, Vicuna Mackenna were caused by the fact that there, at Santa Raquel and Trinidad, there is always a group of pigs ready to start some repressive action. They are in the heart of a popular territory. They have to be shot down; they cannot simply be asked to leave. The public order is in dispute and the pigs cannot be allowed to roam about freely in the people's territories. The pigs either have to give up or die, and if they die, it is a matter of combat.

The Lautaro Youth Movement

[Journalism Students] How did you join the party?

[Antonioletti] I have been in the MJL for some years now. Before that I was active in other leftist political parties and I worked in the Coem [expansion unknown] and the Feses [Santiago Federation of Secondary Students]. Afterwards, positions in Chile changed, espcially in the MDP [possibly Popular Democratic Movement]. No alternatives for direct confrontation were left open. Then the MJL appeared, and I joined it. It meant becoming part of the heat of the marches and occupations.

[Journalism Students] What in the MJL attracted you the most?

[Antonioletti] There are different causes. The same attitude of rebellion, of rejection of the system, is a reason for young working class people to join. The MJL rejects the system, though it is an affirmation of future socialist gains.

[Journalism Students] Does the MJL give advanced military training?

[Antonioletti] You do not have to go to school to be in the streets. Our work is a part of reality.

We began on 13 December 1982, as a youth division of the MAPU [United Popular Action Movement]. Later our position became more radical. When we started we used sticks and knives. Now we have reached a different technical level.

We are not the super military experts that some people think, but we do a number of small jobs that generate a huge product. Everything is done in practice. People who join us are becoming part of a combat organization. We have a complete operational culture, which is the way to meet our objectives. The comrade joins a veteran organization.

[Journalism Students] Do you have a national organization?

[Antonioletti] The MJL has neither a regional nor a national organization. The brigades are independent. The MJL is not the MAPU youth group.

[Journalism Students] And how are MJL members controlled?

[Antonioletti] In the MJL and in the MAPU no one tries to get out of line. You have to be willing to risk your life; there are no rationalizations; what you do in practice is what counts. No one who will not risk his life can be part of the MJL.

[Journalism Students] Whom does the MJL represent?

[Antonioletti] Of the five million poor people in Chile, 500,000 are in advanced sectors. We want to lead them, though not necessarily in an exclusive form. In 1988 an attempt was made to create an armed coordinating group to bring together sectors of the MAPU, the Front, and the MIR.

[Journalism Students] Who are these advanced sectors?

[Antonioletti] The 500,000 are in specific areas and fronts. In education, in "The League," in "La Victoria," etc. We operate in eight regions of the country. Wherever we are, we operate.

[Journalism Students] What is the truth to the stories that you are paid for your actions?

[Antonioletti] There are no mercenaries here. The explanation is easy; when people say that, it is a way of distorting reality.

The Party Complex

[Journalism Students] What does your organization (Party Complex) consist of?

[Antonioletti] Its heart is the MAPU political-military party. This is an instrument for bringing about the revolution, and it has a Leninist organization. Being a political-military party means that there are military units composed of combatants who carry out a policy integrally.

The MJL was created as an organization so that young people could work against the previous regime. It exists in the most advanced sectors and uses direct confrontation as a means of struggle. All MAPU members must work in the MJL, which also has a political component.

The FRPL [Popular Lautaro Revolutionary Forces] are the most outstanding cadres we have in the military struggle.

[Journalism Students] What are the foundations of your ideological policy?

[Antonioletti] We are Lauterians and Marxist-Leninists. In the theoretical concept of the Chilean revolution the foundation is insurrectional mass war, bringing about a takeover of Chile. Then comes a popular and socialist country. There is a programmatic foundation. But it is the people who will decide what they want, it is the people's war.

[Journalism Students] How is the complex organized?

[Antonioletti] Each part of the party complex performs its role through some form of action. For example, in the Michaely armed territorial occupation (occupying a territory, taking things back for the people) the party military groups use the direct shock approach. The MJL appropriates merchandise and sets up barricades in the streets. The FRPL handles total defense of the territory, keeping the pigs out of the area. They each have different roles; their roles are coordinated and they complement each other.

The number of people who take part may fluctuate between 60 and 200. The CTA [Armed Territorial Occupations] are not a specific action group but rather an urban warfare strategy. A CTA is conducted in order to promote the takeover of Chile.

[Journalism Students] With your policy and the armed territorial occupations, what do you want to accomplish for the people?

[Antonioletti] We are concerned about specific things that affect the people: food, housing, sex. Our policy originates from the people, from the popular movement, from where we began to operate.

[Journalism Students] You believe that if a territory is liberated the people will follow your example?

[Antonioletti] We have already seen that. One example is the Yungay area where various actions were conducted. Then, every time that we conducted an action the pigs went to Yungay because they thought we were going back there. When they came, they met with a defense, even though we were not in Yungay, for the people had joined in our process. In addition, in many cases the MJL has been surrounded by the pigs and the very same people have saved us or hidden us. There is active complicity with the popular movement.

In our actions, everything we get is turned over to the people; we just keep the money and arms that we need for ourselves.

MJL in Transition

[Journalism Students] Why are there more actions now that the dictatorship is over?

[Antonioletti] Today there are more actions than before because we have a greater capability. Our policy has not changed. Imperialism remains the same, everything is the same. We have the ability to influence advanced sectors, and they are the same as under the old regime.

[Journalism Students] How soon might it be possible to achieve power?

[Antonioletti] During the decade of the 90's we will solve the problems of the people of Chile. We are convinced that the conditions are right. There has been no change here; everything has stayed the same; the economy, repression, torture, assassination, though this doesn't mean we have as many problems with Aylwin as with Pinochet.

[Journalism Students] In the event of a coup, would the MJL support the transition?

[Antonioletti] As a result of the coup in 1973, the bourgeoisie took up arms for the ongoing defense of society, and we have learned from them. Now arms are part of our defense. In addition, there arose a triumvirate of domination: the bourgeoisie, the military, and imperialism. Their most specific expressions are the Constitution of 1980 and the Armed forces Organic Law.

If there is a coup now, it will be different, since there are a lot of arms now, unlike conditions in 1973. In addition,

we now have the Manuel Rodriguez Patriotic Front, the Revolutionary Left Movement, and the Lautaro Youth Movement.

Paraguay

Navy Commander Discards Military Option

PY3112213890 Asuncion ULTIMA HORA in Spanish 31 Dec 90 p 11

[Text] Navy Commander Vice Admiral Eduardo Gonzalez Petit said in an interview with Radio Primero de Marzo that a military option in 1993 is becoming more remote every day, and that this has been the case ever since this democratization process began. He also said that military men have the right to participate in political events "because I believe that we are not second-class citizens; we are equal to any other Paraguayan."

Vice Adm. Gonzalez Petit pointed out that the Armed Forces undoubtedly occupy a position in the political scene in the country. He added: "Ever since they were founded, the Armed Forces have influenced our national history. There was recently a controversy over this issue because the position of the Armed Forces was defended. We in the military are not second-class citizens. We have the same rights as any other citizens, but of course with some restrictions. We cannot actively participate in politics."

Gonzalez Petit emphasized that under democracy anyone has the right to express their opinion and their political preferences, therefore, "we in the military have the same right." He added that the Electoral Code prohibits active-duty military men from participating in politics but that it does not prohibit them from participating in political acts.

Regarding the 1993 general elections, Vice Adm. Gonzalez Petit said that the current government will hand over the government to whomever is elected. He added: "There is no alternative. I believe that the current political situation is stabilizing, that new leaders are appearing, and, when the time comes, clean elections with new electoral registries will be held and that they will fulfill the objectives of General Andres Rodriguez's proclamation of 3 February 1989." [date of coup that removed General Alfredo Stroessner from the presidency]

Regarding the concern of some people that in 1993, in view of recent political events, a new military option may appear, Vice Adm. Gonzalez said: "We are further than ever from a military option. We can see that the democratic process is being consolidated. I see no military option."

He also said that he does not believe that a military man will become a presidential candidate for the elections "because most of us are in our barracks and have no political ambition. I believe no one is showing any interest in politics. I am specially referring to some of my seniors and the outstanding superior officers of the Armed Forces."

He discarded the possibility that he may begin a political career because he feels that would be a serious mistake at this stage of his military career. He said: "I believe it would be a mistake to begin a political career now." He also denied that he may be an acceptable presidential candidate for the Colorado Party in the presidential elections.

Central Bank President Evaluates 1990 Growth

PY3112020890 Asuncion ABC COLOR in Spanish 29 Dec 90 p 11

[Text] Central Bank President Crispiniano Sandoval said yesterday that the 3.5-percent economic growth in 1990 was reasonable, inflation had increased 44 percent due to circumstances, credits to public institutions were strictly suspended, and monetary reserves had increased considerably.

Regarding the 3.5-percent increase in the GDP [gross domestic product], Sandoval said it represents a reasonable growth, taking into account the climatic difficulties endured by the agricultural sector—especially the soybean, cotton, and wheat crops—which prevented them from reaching a higher growth rate.

Inflation this year reached 44 percent, the highest annual rate in history; this can be attributed to the adjustment in utility rates, the increase in fuel prices, salary adjustments, the increase in public transport tariffs, etc.

Nevertheless, the monetary program's objective is to reduce inflation to 15 percent next year, Sandoval said.

Regarding money issuance by the Central Bank, he said it had increased 32 percent, which contributed to more liquidity in the economy to cope with the 3.5-percent economic growth.

He added that the increase in money supply was less than the 44 percent increase in 1989.

Although credits to public institutions were suspended, the overdue debts of some state enterprises increased considerably due to the implementation of exchange adjustment clauses affecting certain credits and due to foreign debt payments by the Central Bank in previous years on behalf of those enterprises.

Moreover, Sandoval reported that loans granted by the Central Bank to the production sector amounted to 255 billion guaranies this year, which represented an increase of 25 percent when compared to the previous year, when loans disbursed by the Central Bank reached 204.214 billion guaranies.

He added that this year the private sector was granted loans totaling 671.428 billion guaranies, which represents an increase of 36 percent when compared to 495.044 billion guaranies in December 1989.

He added that the interest rates paid on loans and liabilities were freed this year, putting interest rates closer to the inflation rate.

Interest rates on savings vary between 20 and 30 percent annually, while the interest rate charged on bank loans runs from 36 to 38 percent for the production sector and up to 42 percent for personal loans.

Exports decreased slightly—by five percent—dropping from $1,009 million to $960 million.

Foreign currency reserves, however, increased from $322.3 million to $526.1 million (63 percent), while the public foreign debt dropped from $2.076 billion to $1.690 billion, Sandoval concluded.

Peru

Fujimori Discusses Cabinet, Economic Issues

PY3112115090 Lima Television Peruana in Spanish 0100 GMT 30 Dec 90

[Text] President Alberto Fujimori has said that the placing of ministerial positions at the disposal of the president is a traditional courtesy carried out at the end of every year. Fujimori said that he will not yield to opposition pressures to change ministers. The president added, however, that he will make an evaluation of the government's performance during the year, but he pointed out that all ministers have done a wonderful job.

Fujimori rejected the idea of calling a special session of Congress to discuss objections to the national budget, adding that Peru already has achieved important goals even if the inflation rate is not reduced as much as expected.

President Fujimori made these and other remarks in a news conference at Government Palace. During the news conference, Fujimori rejected the idea of convening a special session of Congress because the congressional year is almost over. Fujimori said the executive branch is studying the national budget bill and announced that some amendments will be introduced, such as one excluding the legislative branch from the austerity plan.

Regarding the fight against terrorism, Fujimori said the government is implementing measures, despite logistical problems, that are expected to yield positive results. The president added that the government strategy is to win the trust of the civilian population in areas affected by subversion.

Fujimori also said he was satisfied with macroeconomic results but not with the social situation, which must be gradually improved through a reasonable use of economic resources. Fujimori made important remarks on inflation, the process of re-entering the financial system, incentives for the voluntary resignation of public workers, prospects for 1991, and the resignation of the cabinet.

[Begin recording] [Fujimori] The ministers yesterday placed their positions at my disposal. I consider this a gesture of courtesy. I will make an evaluation of our performance during the year and then take the appropriate measures. I insist that all the ministers have done a really extraordinary job. If changes are made, they will be aimed at forming a stronger team to better face the new problems awaiting us in 1991.

[Reporter] What can we expect on the foreign debt problem next year?

[Fujimori] We will continue to work on Peru's re-entry into the international financial community. Negotiations will continue as planned. We want to liberate the country from this $21 billion burden because it hinders our development. It is really a heavy burden on all Peruvian citizens. We want creditors to reconsider the problem. We need a positive influx of capital to implement new public works and investments for the common well-being.

[Reporter] There have been comments to the effect that the purchase of public employee resignations is a disguised policy of dismissals. What can you tell us about it?

[Fujimori] The Peruvian Institute of Social Security [IPSS] is in charge of this. I understand that the resignations are voluntary, not forced upon workers. If workers violate the law, we will dismiss them when justified. But we will not dismiss people without a good reason. The IPSS is in charge of the voluntary retirement plan, and applicants have to agree to its conditions before they are retired.

[Reporter] Mr. President, how many employees will be dismissed?

[Fujimori] We cannot give numbers. We do not have the resources to finance their relocation in other private productive areas, but the excess is large, and it has been accumulating in the state bureaucracy for the past 10 years. We need to rationalize the state. For the time being, we are not filling vacancies that open up due to retirements and dismissals. The numbers of public employees is progressively decreasing. We would implement a faster program if we had the resources to finance the creation of new jobs, but we would not force anyone to retire.

[Reporter] What about the inflation rate that was announced by Prime Minister Juan Carlos Hurtado Miller for next year?

[Fujimori] That is the reference index on which the budget was structured. You all know that this 28-percent index is our goal. We are sure that the final result will not be too large. We will consider new budget adjustments if we end the year with a 50-percent inflation rate. It would

be a total success if we could bring the inflation rate down from 2,500 percent, where it was when we took over, to 50 percent. It would be an extraordinary achievement.

[Reporter] What can Peru expect for 1991?

[Fujimori] We are going through a process aimed at consolidating the public and productive sectors. In 1991, we will no longer face all the factors that are so negative for the people's well-being. You can be sure that the government will continue the serious job of straightening out the economy. We will not squander resources; we will work with austerity. This, however, does not mean that we will drop important development projects. We will implement a serious fiscal policy. We will not use the printing machine. We trust the economy will be consolidated in 1991 so that all can have the same possibilities on this new path toward achieving a better standard of living for the population. We are not promising miracles, but we will continue the fight against all the hurdles that hinder our development. The people can be optimistic because Peru has a future. [end recording]

Fujimori Discusses Transition at News Conference

PY0101150091 Lima RTP Television Network in Spanish 0009 GMT 1 Jan 91

[News conference by Peruvian President Alberto Fujimori with unidentified reporters on 28 December; place not given—recorded; monitored in progress]

[Text] [Fujimori] ...Favorable for exports in some industrial activities. Following the government's policy, these subsidies have been eliminated, with the objective of making enterprises competitive on their own and more profitable in a free market. Many exporting companies are doing well; others are surviving and adjusting to the new situation. First, all these measures have been conducive to greater productivity; this is obvious. Free market rules have forced enterprises to cut costs to make more profits.

We believe this is a transition period during which enterprises can adjust to the new rules of the game. Moreover, the government will adopt complementary measures to make possible a substantial increase in exports. In fact, exporting is one of the few options available to Peru for reactivating its economy; the internal market cannot offer us a way out of this jam at this time, so it will have to be export activity. On this front, Peru has untapped potential.

We believe that medium and large mining, fishing, and industrial sectors have—given our resources, low labor costs, established capacity, and managerial ability—the potential to reach a substantially higher level of exports from Peru, which are at this time extremely low, barely surpassing $3 billion, far from the country's potential.

[Reporter] A congressional commission has recently reached the conclusion that General Edwin Diaz Torales, chief of the National Intelligence Service, might be involved in phone tapping [words indistinct].

[Fujimori] Of course. Corrective measures will be taken to eliminate illegality, misdeeds, and ethics violations. These measures will be severe. I received this information just yesterday, after making a statement to the press. I understand that if there are sanctions in this case, they will be meted out by the judicial branch. The case has already been taken to court. As you all know, there should be no interference in a case that has been filed in court.

I understand that progress has been made and that, once conclusions are reached, there will be a ruling or decision either sentencing or acquitting the director of the National Intelligence Service. One favorable conclusion of that congressional commission is that all these acts were committed under the previous administration. Perhaps they have also been committed under this administration, but there is no clear evidence. I expect this all to be resolved under the jurisdiction of the judiciary with a final decision.

[Reporter] Changing the subject, Mr. President, it would seem that Bush's Americas Initiative has stalled somewhat. Do you have an opinion on the subject and [words indistinct]?

[Fujimori] I must say that the Bush initiative elicited a very favorable reaction among Latin American countries. As you all know, it is a flexible project that can be adjusted to the conditions of each country. In this aspect, at least, it constitutes a step forward for Latin America. The proposed free trade arrangement would be very favorable for all of Latin America and especially for Peru.

On the subject of free trade within the framework of Latin America, I would like to emphasize the meaning of the La Paz Agreement, according to which the Andean Group will establish a free trade zone by the end of 1991. I believe that this accomplishment will be an especially significant, historic step forward. It will allow each of our countries to expand their markets. We could also participate in the Bush initiative as a group or follow the example of other Latin American countries that are trying to take advantage of this initiative through common markets like the Mercosur [Southern Cone common market].

In any case, I find the prospects encouraging, provided negotiations continue to lighten the heavy burden of the foreign debt.

[Reporter] Mr. President, you have been in office for five months now and certain circles have been pointing out that your administration does not have a party to support it or an alliance with other political groups. How do you explain the phenomenon of an administration that still retains a considerable level of credibility with no political backing?

[Fujimori] Maybe that is why we have credibility, because we do not have a party and we do not follow the traditional patterns of behavior that have been rejected by the people. This administration, however, does have broad popular support. We may not have a party, but we do have popular support. Throughout these five months, this administration has reacted and will continue to react to the expectations and aspirations of our neglected people in order to attain the objectives set forth in our national Constitution, objectives that have always been neglected.

I believe that this new approach to government with popular support is a very solid foundation that has allowed us to govern despite the enormous difficulties we face. Our administration is probably the one that has had to deal with the most serious crisis in the history of Peru and even the region. We have made clear our leanings, and we have proved the falsity of all the charges made against us during the electoral campaign. This has strengthened our credibility and undermined the credibility of those who have opposed our movement. It is not true, nor does anyone believe any more, that there was ever a pact with the APRA [American Popular Revolutionary Alliance], nor is there any truth to the various accusations hurled at us during the campaign. Everything has been proved false, and those who accused us have been totally discredited.

Throughout these five months, my administration has proved that it is prepared to take and has, in fact, already taken major steps to resolve the general crisis plaguing the country. The people have confronted the economic crisis with a great deal of understanding, trust, and self-sacrifice, and there are concrete, clearly visible results.

There is no demagoguery here. What we have are pragmatic measures. We are doing serious political work, probably for the first time in Peruvian history. For the first time in the history of Peru, national interests are taking precedence over private interests, personal interests, patronage, the quote, buddy system, unquote. All these things have been eliminated from Peruvian politics.

[Reporter] Mr. President, how can these positive goals and aspirations be understood in view of the bitter medicine administered in the form of the readjustment, which affected the lower classes the most, a readjustment that in five months will generate an inflation rate that—according to the economy minister's own prediction—will be at least 22 percent in December?

[Fujimori] Well, first, the economic stabilization measures implemented on 8 August made clear the reality of the country's situation, with its resources committed for months and years, if nothing else. So the country became aware of the fact that we had no resources available at that time or later, because future resources had already been used. I say used because some had already been sold and because some credits, either internal or external, had already been committed. We put ourselves into that reality, where we could see the possibilities we actually had at the time. If the whole population was affected initially, there was a quick recovery that, although it did not reach the illusory level it had attained prior to 8 August in many sectors, was satisfactory. At least a large portion of the formal population has been recovering its previous purchasing power.

In the state sector, there was obviously a reduction in purchasing power. It is noticeable, however, that a reactivation of the productive apparatus has resulted from the latest measures. This is a sign that we are on the right path. After the latest measures were announced, there was a minor misunderstanding that was finally cleared up with the statement I made two days ago. The economic apparatus did not go into a recession in the wake of the latest measures, which gave an important company like Petroperu [State Petroleum Agency] a chance for promising progress. Instead of a practically bankrupt company, Petroperu is now on its way to being a solid company, a state enterprise that will not be privatized.

There is an obvious contradiction between what the opposition is proposing and what the country really needs. The country needs real prices for goods and services, without subsidies. The government is working in that direction. The country also needs to eliminate deficits. Under the current policy, Petroperu will no longer have those huge deficits, those widely criticized losses.

This set of measures has been instrumental in consolidating public enterprises and introducing corrections at the right time. These corrections are again setting the course toward a fiscal deficit of zero. In five months of government, this is the first time an administration has not printed money or has not resorted to what is known as cranking the machine in Peru. Until recently, the cranking of the machine has spilled out $100 million on several occasions.

We do not need to print money, which, as you know, fuels inflation. It is true that the accumulated inflation rate over these five months has reached 750 percent, but a large portion of it was caused by the liberalization of prices for goods and services that had been regulated by the previous government. These inflation indexes, including the 22 percent, reflect readjustments caused by the momentum of inflation accumulated during the previous administration.

[Reporter] Mr. President, there is a social problem related to the state bureaucracy that has recently been in the limelight. How many public administration bureaucrats will have to be let go to make the state more expeditious and to stop running up deficits? Is there a figure for the possible dismissals from the public administration?

[Fujimori] There are undoubtedly too many bureaucrats. Some people have estimated this excess of personnel at 40 or 50 percent. So far we have not begun streamlining

the bureaucracy in terms of personnel because of the social and economic cost of such streamlining. Everyone knows that the unemployment situation is truly worrisome, and we do not want to make it even worse through mass straightforward dismissals.

I have explained that the number of public servants must be pared down, but we must not simply throw them out on the street. This process will take time, and I must emphasize once again that this bloated bureaucracy is the result of patronage and the buddy systems instituted by Popular Action [AP], the Popular Christian Party [PPC], and APRA administrations. It is a legacy of these three parties. These parties frequently criticize our bloated bureaucracy, but they are the ones that hired all these people. We have not hired a single bureaucrat so far, nor do we plan to do. Fortunately, we do not have any of the commitments so common to past administrations.

We want a streamlined and efficient state machine, but not at the expense of hurting families that live on such small incomes. I have been looking at a good portion of this bureaucracy as a kind of unemployment insurance, a sort of social emergency program that is relatively effective. Our other option would be to throw out into the street scores of thousands of people whom we would have to support through the social emergency program that, as we all know only too well, is unable to cope with so many needy people.

[Reporter] With only a few days to go before the end of 1990, it would seem that the [words indistinct] committee of the United Nations is getting ready to name Peru, for the third consecutive year, as the country where the most people have disappeared. No decline in this tendency has been observed from August through December. (?There are some) who attribute this to the ineffectiveness of the antisubversive forces in the emergency zone, but I [words indistinct] government is considering any special measures to protect [words indistinct]?

[Fujimori] Obviously, our goal is to protect civilian society from the onslaughts of this so-called war, whether they come from police or military forces—as has unfortunately been the case due to the current special circumstances—or from the subversive groups. Many of these disappearances are the result of subversive actions carried out to frame the Armed Forces, police, or the administration in general for the disappearance.

This antisubversive struggle is at the top of our list of priorities, and we believe that, if we can make progress, human rights violations will decline. Respect for human rights is one of our most cherished principles, and we have done our best to clearly demonstrate this. One example of this is our position toward the situation in prisons. Our position has even led to a confrontation between the administration and certain circles within the judiciary that has allowed this unjust situation affecting many Peruvian prisoners to go on for many years.

Our attitude toward human rights is perfectly clear. We defend human rights pragmatically, always trying to get things done. Human rights have been violated for many years due to the sluggishness and indifference of successive administrations.

[Reporter] Can I ask a question?

[Fujimori] Yes.

[Reporter] In the case of the killing of journalist Hugo Bustios in Huanta reported by the director of the magazine CARETAS, will the military officers involved [words indistinct] be brought before the civilian courts?

[Fujimori] Of course, if they are responsible. I would like to say in response to your question, however, that while the cases are being tried we will not turn military officers into targets for subversives. Those responsible will be severely punished by the appropriate court, but we will not tolerate the news media releasing names of officers while there is no final court ruling. After all, we must all scrupulously respect the decisions of the civilian or military courts, as the case may be.

This will be the general policy because we cannot serve Shining Path any targets on a platter because they may kill some of our Armed Forces officers. This is a dangerous game. We will defend human rights without restrictions, but these rights must also benefit policemen and military men who are fighting this battle. It would be very easy to make statements from Lima, to say this or that in Congress. I believe that this struggle must be taken very seriously.

[Reporter] Mr. President, I would like to ask two questions. The first has to do with drug trafficking. Last week a small drug-traffickers' plane was destroyed by the military for the first time after instructions were issued that all planes had to identify themselves and not attempt any evasive maneuvers if intercepted by Air Force planes. Is this new attitude a response to DEA charges of alleged sloppiness with which the antidrug struggle is being conducted in Peru?

[Fujimori] Many actions take place within the framework of the antinarcotics struggle. Many of them are not well-publicized. In any case, each and every one of these actions is prompted by this administration's belief in the need for an effective policy against an activity that has so much influence in our country: drug trafficking.

I said that it has much influence because it greatly affects the development and success of our economic policy, and the nation's development in general. Thus, we are engaged in this struggle not only because we have an international responsibility but also because our national interests are at stake.

Therefore, we are commited to reversing the past tendency toward uncontrolled growth of coca farming and drug trafficking. We all know very well that this struggle against drug trafficking and coca farming has been a clear failure. This failure can be blamed on the Peruvian

Government but also on the international community. The DEA has been participating in this struggle, providing support to Peruvian police forces. The struggle has probably prevented this trade from growing even more, but it has not brought it under control.

If we were to be honest, we would have to say that we have not succeeded, if not failed altogether. The world at large must realize that we must fight this scourge right now, that there are means to accomplish this. My administration has submitted to the world in general and to the U.S. Government in particular a unique proposal that is not focused on repression alone. This proposal, as everyone knows, seeks to attack coca farming and drug trafficking from many sides. Fortunately, there is growing acceptance of our proposal as it becomes known, and we hope to be able to conduct an effective struggle by reducing the number of hectares planted with coca.

We will also continue military and police repressive actions because our proposal does not exclude them. To the extent possible, we will continue destroying illegal airstrips and shooting down drug traffickers' planes as was demonstrated lately. We have also recovered a helicopter that was seized by subversives in Barranca, where Mobil Oil is. This is just a small part of our antidrug policy.

[Reporter] Mr. President, given that the so-called Fujimori antidrug policy is at least a medium-term policy, that the negotiations with the United States aim at the urgent formation of a support group, and taking into account that, as the Central Reserve Bank president recognized yesterday, the U.S. Administration has introduced an economic factor by tying credit to drug repression, do you not believe the formation of that support group might be jeopardized, as well as the new credits on which the success of the Peruvian economic program depends?

[Fujimori] I deem it necessary to point out that the struggle against drug trafficking and drug consumption by a country of meager resources cannot be a short-term struggle because that struggle demands sums upward of $100 billion. Short-term measures should certainly be adopted, but the results can only be realistically expected in the medium term. In fact, there is a close relationship between the Peruvian position on the drug fight and the credits that should be forthcoming for us to solve the problem of our overdue payments to international organizations.

Nevertheless, we are not concerned over the fact that Peru has adopted a policy that represents a shift in drug-fighting policy. At this time, we are interested in getting others to understand that our present policy points to a serious approach to the problem. I am sure that once this policy is understood and accepted as effective, those credits will come in as an expression of conviction and support. We would not want to deceive ourselves and the world that we are fighting drug trafficking when we continue to use traditional methods while the enemy continues to make inroads.

So, I am sure that those credits will be granted to Peru because the more solid the country's economic and social situation, the better will our position be to more effectively fight drug trafficking.

[Reporter] Mr. President, have calculations been made of how many state-owned companies, which number 140, must be privatized, at least in the long term? My second question is: Has thought been given to transforming Change 90 into a political party and perhaps giving it a different name?

[Fujimori] State-owned enterprises numbered 180. Of the 48 that are financial institutions, 32 are practically bankrupt; we received them bankrupt. Well, in the first place, we have to begin and complete the process of liquidation of these 32 financial institutions that are bankrupt. One of them bespeaks of the inaction and passivity of previous governments as far as a policy of privatization and administration of state enterprises: MORADECO [expansion unknown]. MORADECO has been liquidated by this government; it had been maintained in a critical condition for many years. This is an example of how this government takes measures, in contrast to the inaction of previous governments. So we do not recognize any authority on this or other matters, such as drug trafficking or the antisubversive struggle about which the measures we take are criticized.

There are enterprises that must be privatized, but we will not do so at an inappropriate moment. I have an entrepreneurial frame of mind; I like to do good business. At this time, I want to defend the business of the state. I will not give away the public enterprises. For instance, we will not sell them for foreign-debt notes as some people have been calculating. Those who made their calculations on this basis will be disappointed. It matters to me to defend the interests of the state. We are going to sell those companies, but not at less than their best price. I will not sell them just because some interested groups are pressuring.

I am aware that there must be rationality in the bureaucracy and the public sector, particularly in the state-owned enterprises, as I have said all along these five months and during the electoral campaign. We cannot just sell state enterprises when they are in a bad position, putting many people out of work. The state bureaucratic apparatus and the public entrepreneurial sector are overgrown. They should be streamlined, and we are proceeding to do so. There are enterprises that are at this time shifting from a deficit to a surplus position. We have placed in these enterprises people who have administrative know-how, who have been in business, and who can efficiently manage a state enterprise like a private business. Many of the state enterprises are thus undergoing recovery. Of course, this recovery might hurt many oppositionists, although the national interest must

always prevail. As I have said, fulfilling my campaign promises, we are not going to sell state-owned monopolies if they would be run as monopolies after sale, and as private monopolies to boot. This is the case of the electricity, water, fuel, or telecommunications companies. We are against monopolies. I know that there is great interest in the privatization of these state enterprises because they have the meat, they have the best deal. The best deal will be transacted by the state first. Only at the proper time, when monopolistic or oligopolist conditions no longer exist, then and only then could the state sell shares of its equity. Meanwhile, the state will not sell its monopolies. For instance, we will not sell Petroperu because it is not running deficits; it cannot be said to be operating in the red. It operated in the red under the two previous governments, but not now. Likewise, we will not sell Electroperu, which incidentally is still running in the red, and Electrolima.

We are being criticized for the prices we have set for electricity—we have even had absurd proposals from Congress—but we are conducting a realistic policy of competitive prices. The price of electricity is still below prices at the international level, but we do not want to burden the people who earn less. This is why we are increasing prices gradually. The important point is that these enterprises will no longer run deficits. I believe this is one of the real achievements of this government in just five months of administration.

[Reporter] Can you tell us some of the administration's objectives for the coming year in connection with foreign policy, domestic policy, and key issues like the Camisea gas pipeline?

[Fujimori] I can be very specific as far as foreign policy goes because we have repeatedly stated our objective: to reinstate Peru as a member of the international financial community, and to reach concrete agreements with our creditors without harming Peru in order to attain fluent financial, economic, and commercial relations with the world at large. Our policy in this direction will be straightforward and serious, and I am certain that this attitude will allow us to conduct negotiations with the Paris Club that will be very favorable to Peru. Then we will be able to continue negotiating with international organizations, and I hope that by the middle of next year Peru will be a member of the international financial community with full rights.

We will implement a policy aimed at strengthening and improving commercial relations with all countries of the world, especially those of the Andean Group. We will also emphasize our commercial and financial relations with the countries of the Pacific Basin. We will also seek to strengthen our relations with those countries that have always supported us within the framework of international cooperation.

Unfortunately, there have been setbacks during these last five months. One such case was when Congress irresponsibly failed to authorize my trip to Caracas. In any case, I believe that all these obstacles will be overcome, as has been demonstrated during the summit in La Paz.

The Energy and Mines Ministry is currently working on the Camisea gas project to make it come true, and we hope that the many international companies, the Shell Company included, will actively participate in this project to supply southern Peru with energy and possibly export it to border countries.

These are the concrete objectives of our energy program, and we are not going to pay any attention to the criticism coming from the recalcitrant left that, in a display of negative attitude, seeks to prevent foreign investment.

As far as the economy is concerned, we want to firm up this economic stability that we have achieved by reducing inflation to the lowest possible level. Some people are talking about 28 percent per year; others are saying that it will be 40 percent, and the pessimists forecast 80. We will work to bring it down as much as possible without jeopardizing production or the well-being of the people. We will soon perceive a substantial increase in the purchasing power of the workers, there will be a marked increase of investments, and productivity also will continue improving in the wake of these measures we are implementing to allow a market economy to take hold in Peru.

[Reporter] We wish you more success in 1991 since it will be difficult to accomplish anything else in 1990.

[Fujimori] Well, if you are wishing me more success in 1991, that means that there have been successes in 1990, and I...

[Reporter, interrupting] Your election in itself was a great success.

[Fujimori] Well, you have also told me here that I have achieved a high level of credibility, and I will depart convinced that this is so. Thank you.

Ex-Police Officers in Drug Case Pardoned

PY3112230090 Lima EL COMERCIO in Spanish 25 Dec 90 p A 10

[Text] Unanimously, and applying the judicial principle "in dubio pro reo" (the defendant gets the benefit of the doubt), the judges of the 11th Correctional Court of Lima yesterday acquitted three ex-generals and 15 ex-officers and subordinates of the Technical Police [PT] (ex PIP [Peruvian Investigative Police]) who have been facing a trial that is running parallel to the main "Villa Coca" drug case. They had been accused of being involved in presumed crimes against justice administration, dereliction of duties, and drug trafficking (by concealment) against the state.

Defendant Reynaldo Rodriguez Lopez was also pardoned, but he cannot be released because he is also facing trial in the main Villa Coca case.

The following officers were acquitted: Former PT Generals Alberto Suarez Caballero, Horacio Lopez Vargas, and Raul Chavez Gonzales (who conducted the police investigations into the drug case); former PT Coloncls Cesar Anco Zegarra and Hugo Tello Infante; and former PT Commander Herculano Soto. In the case of the last three, the judges ordered their immediate release if they are not facing any other pending charges.

Moreover, the court agreed to postpone the trial of four others who are still at large "until they are arrested." They are: Former PT General Oscar Vivas Gutarra, former PT Major Oswaldo Carreteros Fernandez, and former PT Captain Cesar Augusto Garcia Perez.

The reading of the sentence, during a public hearing, began at 1030 in the presence of eight of the accused, among them Reynaldo Rodriguez Lopez, Generals Chavez Gonzales and Suarez Caballero, and some of their relatives.

In the summary clauses, the judges noted that it was not possible to fully establish the charges brought by the representative of the Attorney General's Office regarding the presumed complicity of the former police chiefs with Reynaldo Rodriguez Lopez.

Later, former PT General Raul Chavez Gonzales said he was confident in the honesty of the judges who heard their cases, and criticized "two or three negative individuals from the Attorney General's Office who delayed the investigations in the Villa Coca case. Only 60 percent of the police investigations have been concluded," he said.

Fund Shortage Hinders Fight Against Drugs

PY020113409l Lima RTP Television Network in Spanish 1100 GMT 2 Jan 91

[Text] Interior Minister Adolfo Alvarado has said that the people and all the military institutions should create a front to fight subversion. He explained that the shortage of funds has prevented the national police from successfully fighting terrorism.

[Begin recording] [Alvarado] Anti-drug operations are directed by the Armed Forces joint command with the national police lending their support only in some areas. The police fulfill their role according to their charter and according to the Constitution. If you want to know about the antisubversive struggle, you will have to ask the defense minister. As for the police, you know very well that their fiscal budget is totally exhausted. Consequently, there were not enough funds to allow each institution to properly implement the antisubversive struggle. That is why no progress has been made in the antisubversive fight. There were restrictions on us.

[Unidentified reporter] Mr. Minister, the president has admitted that the fight against drug trafficking has failed in Peru. What do you think?

[Alvarado] From the viewpoint [words indistinct] undoubtedly that is so, because both the president and I have repeatedly said that the fight against drug trafficking calls for comprehensive action, not just repressive acts. Not only should the Armed Forces and the police confront this scourge; the anti-drug action should involve all areas. As we have already said, action should be taken in the social, economic, political, and military areas. Only in this way, through a comprehensive approach, will we be able to fight drug trafficking and subversion.

[Reporter] Is it essential for Peru to reach an agreement with the U.S. Government in the fight against drug trafficking in 1991?

[Alvarado] Well, it is important to receive the support of all countries, not only from the United States but from all the countries to which processed coca is shipped. All those countries should support us so that we can fight drug trafficking. [end recording]

Police Break Up Shining Path Cell

PY2712143490 Madrid EFE in Spanish 0324 GMT 27 Dec 90

[Text] Huaraz (Peru), 26 Dec (EFE)—It was reported here today that the Peruvian police have dismantled a Shining Path terrorist cell and arrested, among others, a Venezuelan citizen on charges of being a member of this cell. Huaraz is located 400 km northeast of Lima.

The police reported that the Venezuelan citizen's passport identifies him as Gaudencio Vega Gonzalez, a 35-year-old from Puerto Ordaz (eastern Venezuela).

The terrorist cell, to which the police have attributed several attacks with fatal casualties, also included six Peruvians. It was led by 19-year-old Sonia Quispe and 18-year-old Juana Cumpa.

Vega is the first Venezuelan to have been arrested by the National Police on charges of being linked to the Shining Path group, which has waged an armed struggle for the past 10 years that has claimed the lives of 20,000 people and has caused direct losses estimated at $19 billion.

It has been reported that the terrorists were disguised as preachers of a Pentecostal evangelical group and thus had easy access to the Andean people.

The alleged Shining Path terrorists were transferred today to the Antiterrorist Directorate (Dircote) in Lima.

Earlier, a French Catholic priest, a German, and an American were charged with being Shining Path members. They were all found not guilty during their respective trials and released.

Armed Forces Ban Cuba Solidarity March in Lima

PY3112203090 Madrid EFE in Spanish 2104 GMT 30 Dec 90

[Text] Lima, 30 Dec (EFE)—The Armed Forces Joint Command (CCFA) today banned a demonstration of solidarity with Cuba that had been called for 3 January by the Jose Marti Association in honor of the 32nd anniversary of the Cuban revolution, which falls on 1 January.

The highest Peruvian military authorities pointed out that Lima is in a "state of emergency" because of guerrilla violence, and this is why permission for a public demonstration in support of Fidel Castro's government has been denied.

Spokesmen for the Jose Marti Association have reported that the only demonstration of "solidarity" with the Cuban regime will be held 3 January in the La Cabaca Theater, with the participation of popular and political Castroist organizations.

Jorge Campos, president of the Cultural Association of Peruvian-Cuban Friendship, said that this demonstration seeks to express solidarity with Cuba and to show "what Peruvians can do to help that country survive, how they can contribute, and how many people can be counted on."

An association spokesman recalled that this is the first time since 1985 that the CCFA has banned the street march of solidarity with Cuba.

The reaction of the Cuban embassy to the CCFA decision could not be ascertained because today is Sunday in Peru.

Police Evict Squatters, Kill Four

PY0201124691 Madrid EFE in English 0504 GMT 02 Jan 91

[Text] Lima, 1 Jan (EFE)—Peruvian police have shot dead at least four people and have wounded 15 more as security forces dislodged hundreds of families from a makeshift settlement in the capital, witnesses said Tuesday.

One witness, who asked not to be identified, said police without warning Tuesday fired tear gas and live ammunition into the settlement which is built on government land in the eastern outskirts of Lima.

He said three men and a pregnant woman died from bullet wounds.

Police have declined to comment on the incident.

New Navy, Army Commanders Installed

PY0101131391 Lima RTP Television Network in Spanish 0100 GMT 1 Jan 91

[Summary] Admiral Alfredo Arnaiz Ambrossiani was installed today as the new Navy commander in a ceremony at the Naval School. In another ceremony, Division General Pedro Villanueva Valdivia was installed as the new Army commander.

1990 Inflation Rate Totals 7,650 Percent

PY3112233690 Madrid EFE in Spanish 1659 GMT 31 Dec 90

[Summary] Lima, 31 Dec (EFE)—Felix Murillo, head of the National Statistics and Informatics Institute, INEI, has reported that the December inflation rate stood at 23.7 percent and that the 1990 accumulated inflation rate totalled 7,650 percent.

Murillo added that the highest monthly inflation rate was registered in August, when it amounted to 397 percent.

Civil Defense Chief on Situation in Huancayo

PY0101133491 Lima RTP Television Network in Spanish 0100 GMT 1 Jan 91

[Excerpt] Civil Defense Chief Jorge Ferreyros said today that the situation in Huancayo is under control after a landslide on 28 December. He added that the necessary aid has been sent to the disaster area.

[Begin Ferreyros recording] The situation has been overcome, and it is under control. What concerns us is that different officials are saying things that are not true. The subprefect said the aid is insufficient, that only 14 tents and 100 blankets were received. The aid sent on 29 December, less than 24 hours after the disaster, included tents for 450 people; the tents are to shelter people only, not their furniture. The tents are for protection against the weather. Three flexible water containers of 30 meters each [not further identified] and two mobile water containers of seven meters each were also sent because the water system was cut off. [passage omitted] [end recording]

Oil Production Increases in Talara

PY2912212490 Lima Domestic Service in Spanish 1200 GMT 29 Dec 90

[Text] Oscar Moreno, manager of the Petroperu [State Petroleum Agency] Exploitation and Production Department, has reported that Petroperu has increased its daily oil production in the northwestern part of the country by 2,000 barrels. He said that with this increase Petroperu's production in Talara now averages 21,000 barrels daily instead of the 19,000 it was producing during the first half of December.

Uruguay

New Blanco Party Faction Created

PY2712002490 Montevideo LA HORA POPULAR in Spanish 16 Dec 90 p 4

[Summary] On 15 December, Blanco Party leaders meeting in the town of La Cruz, Florida Department, decided to create the Wilsonist sector. Dozens of representatives from 19 departments attended the meeting, which was presided over by Senator Alberto Zumaran. Zumaran said the Wilsonist sector will seek to create a movement to integrate all forces that want a change and wish to continue on the path of Wilson Ferreira Aldunate, the late Blanco Party leader.

Fuel Prices Increase 11.16 Percent

PY2912210090 Madrid EFE in Spanish 2205 GMT 28 Dec 90

[Summary] Montevideo, 28 Dec (EFE)—Government sources reported today that fuel prices will increase 11.16 percent on 29 December 1990. This increase will affect prices for basic services, which will increase by 14 to 19 percent on 1 January 1991.

Fuel prices also increased by 72.66 percent on 1 September. With this new increase, gasoline will cost 1,312 new pesos ($0.85) per liter. Government officials have justified this increase by arguing that international petroleum prices went up due to the Persian Gulf crisis.

In October 1990, Uruguay was purchasing crude oil at $35 per barrel, but over the past few weeks the government has arranged to purchase petroleum from Colombia and Nigeria at $25 per barrel. This new increase has, therefore, surprised the Uruguayan people.

Antarctic Cooperation Pact Signed With USSR

PY3112181090 Madrid EFE in Spanish 0017 GMT 31 Dec 90

[Text] Montevideo, 30 Dec (EFE)—Uruguay and the Soviet Union have signed a scientific-technical cooperation agreement to enhance and develop relations in Antarctica, spokesmen for the Uruguayan Defense Ministry announced today.

The agreement, which is modeled after the 1959 Washington Treaty, was signed by representatives of the Uruguayan Antarctic Institute and the USSR State Committee for Hydrometeorology.

Pursuant to the agreement, both countries will try to cooperate in undertaking joint activities related to and carried out in Antarctica, based on reasonable equitability in logistic and technical support.

Along with the exchange of technicians, the agreement provides for the mutual utilization of installations and participation in scientific symposiums and meetings.

In the Antarctic, Uruguay maintains the General Artigas Base, where scientific experiments are carried out, particularly on krill, the marine plankton considered to be the food of the future.

Uruguayan President Luis Alberto Lacalle, who is the mainspring behind this and other experimental projects, will visit the General Artigas Base in the Antarctica in mid-January.

Venezuela

Perez Addresses Nation, Notes Achievements

PA3112172590 Caracas Venezolana de Television Canal 8 in Spanish 1417 GMT 31 Dec 90

[New Year's address to the nation by President Carlos Andres Perez from Miraflores Palace in Caracas—live]

[Excerpts] [Passage omitted] Among the most important achievements for 1990, we have the signing of the agreement for the reduction and refinancing of the public foreign debt with the international banks. This agreement will allow us to save approximately $1.5 billion in foreign debt service a year, and this money will be used to help finance the country's social and development programs. The total foreign debt service will be under $2 billion, less than 15 percent of our exports, and much less than the $4 billion that was paid in the past decade. With the re-purchasing and the guaranteed write-off of the debt that was completed on 18 December, we have now paid off more than $10 billion of the foreign debt to the commercial banks. This is a definite contribution of my government for the present and future of all the Venezuelan people. [passage omitted]

My government also carried out intense and fruitful activities in the international field. The direct contacts with several Latin American presidents, with the President of the United States, and with European presidents; the agreements with OPEC and the Group of Rio; the revitalization of the Cartagena Agreement; the signing of Venezuela's adherence to the GATT; and the international financial support by multilateral organizations and the governments of Spain, Italy, and Japan, represent significant support for our country and a recognition of Venezuela's role among the world's democratic nations. [passage omitted]

In the international field, our country will continue its policy of bringing Latin America closer. We will reaffirm our will for integration by supporting the Cartagena Agreement, by ratifying the Group of Rio agreements, and by objectively evaluating and participating in the Initiative for the Americas, which is being promoted by President Bush's government. I am convinced that, under these new world and regional circumstances, Latin America's integration goal will allow us to create a continental economy capable of being competitive in the world.

I cannot conclude without warning that the reasonable optimism we have, based on indisputable data and numbers, is accompanied by the appalling presence of the Middle East crisis. We decisively support the decisions made by the United Nations against the occupation of Kuwait and in the search for a peaceful solution. Today, as always, the Venezuelan people will work for peace, and we will not use their oil resources to benefit from the current difficulties and the even worse difficulties foreseen.

Despite the good outlook for 1991, I cannot refrain from expressing before my people and the world, deep regret and indignation about the military coup against the democratic government freely chosen by the people of Suriname. Suriname is our neighbor and part of the huge and promising Amazon region. With deep anguish and concern, I urge all the democratic governments, especially the governments of our hemisphere, to take strong and categorical steps to stop the infamous and cunning blow that once again opens a chapter of military governments versus sovereignty in our America. We had closed that chapter. We lived through this with the deplorable Panamanian situation, where one president was replaced by another and where if a president did not obey the orders of the autocrat, he was replaced by someone, which continued until the day the mask was removed from the dictatorial farce.

We cannot tolerate that in this new phase the world is living in, when we are on the verge of a horrible war in the Middle East to defend the sovereignty of a small nation of the Gulf. We should not tolerate the violation of Suriname's sovereignty. Enough said. If a condemnation of the coup and the call made on Friday, 28 December, by the OAS permanent council are not enough for the rebel soldiers to return the country to its rightful leaders, then we will promote a meeting of the OAS foreign ministers to request that sanctions be approved to force the return of the democratic government. The principle of nonintervention that is so strongly raised is for the good of the people and not for despots. Raising this principle, the Latin American countries paved the way for a unilateral intervention in Panama. We cannot continue to make the same mistakes and, much less, forget our first duty, which is to maintain democracy on the continent. After two years of democracy in all the Latin American countries, we would be responsible for once again opening the doors of militarism by accepting the installation of an abominable military dictatorship in a small South American country that only 12 years ago broke its colonialist ties. I hereby announce that Venezuela will not continue relations with that regime that is being established by violating the dignity of our America. [applause]

We view the recent elections in Haiti as a clear sign of Latin American democracy. This strengthens our optimism, which was strongly affected by the dictatorial aggression in Suriname. Haiti was badly hurt by the same type of dictatorship that is now trying to subjugate the people of Suriname. Haiti today has a president chosen during an election that no one would dare describe as fraudulent. During those elections, the people overwhelming chose Jean Bertrand Aristide as their president. He is counting on the solidarity of our peoples to undertake the hard and difficult path toward social welfare and justice. On 9 January, the Venezuelan people will have the honor of welcoming President-Elect Jean Bertrand Aristide to Caracas. His visit must make us recall our difficult times back during the days of our independence when President [Alejandro Sabes] Petion gave Simon Bolivar his support and help. [passage omitted]

President Discusses Effect of High Oil Prices

AU3112115590

[Editorial Report] Hamburg DIE WELT in German on 31 December 1990 on page 7 carries an undated 3,500-word interview with Venezuelan President Carlos Andres Perez by DIE WELT correspondent Werner Thomas in Caracas, titled "High Oil Prices Are No Good for a People's Psyche."

Discussing Venezuela's economic situation, the president says that the high oil prices are "dangerous" because they are not the result of a "normal market development but of a war-like situation that we regret." Andres Perez compares the current situation with that in the early eighties during the Iraq-Iran conflict when the world economy was marked by instability and uncertainty. He says that the poor Third World countries suffer particularly from such developments, and therefore Venezuela will continue to supply oil at favorable conditions and, "in view of the Gulf crisis, even increase" its "aid measures."

According to the president, the economic adjustment program is "gradually beginning to bear fruit." Venezuela's foreign exchange reserves total $9 billion, foreign debt has been reduced, and exports other than oil have been increased. In addition, efforts are being made together with other Amazon states to preserve the rain forests and the ecological system in the region.

Answering a question on the subject, Andres Perez says that the era of military dictatorships in Latin America has ended. "The democratic process has been successful. Moreover, we are also pulling together in the economic sector." The influence of multinational companies in Central and South America belongs to the past, says the president. "Our economic relations with the industrial countries are based on mutual respect, and both sides profit from this."

As for Marxism and communism, they "never had a chance in Latin America, with the exception of Cuba. Developments in Cuba were attributable to the Cold War." Perez says that Chile under Salvador Allende "was also an exception." He adds that the policy pursued by the United States and some European nations that supported military dictatorships as bastions against Marxism, "hindered and obstructed our development."

He says he is proud of having helped overthrow the Somoza dictatorship in Nicaragua, and he stresses that he has "always been a friend of the Sandinist movement," even though he "did not always agree with their policies." He says that the United States and Europe should do more now to help Nicaragua.

Discussing the situation in Cuba, the Venezuelan president says that his country has offered Fidel Castro its cooperation to make it easier for Havana to "return to the Latin American community. However, the decisive contribution must be made by the Cuban Government, by Fidel Castro. We are not very optimistic. We do not see any fundamental change in the Cuban Government's policy."

Generally, President Andres Perez sees progress regarding Latin America's efforts to bring about the hemisphere's integration because the countries in the region "have reformed their economy, dismantled customs barriers, and opened their markets." He says that the "initiatives taken by the Bush administration in the trade sector have met with a positive response." He adds that his "relationship with the U.S. administration has always been good."

Ties Established With Papua New Guinea

PA2812003590 Hamburg DPA in Spanish 1730 GMT 22 Dec 90

[Text] Caracas, 22 Dec (DPA)—It was reported in Caracas on 22 December that Venezuela and the independent state of Papua New Guinea established diplomatic relations on 22 December.

According to the Venezuelan Foreign Ministry, Simon Alberto Consalvi, Venezuelan ambassador to the United States, and Margaret Taylor, Papua New Guinean ambassador to the United States, signed a document in Washington in which both governments emphasize the importance of strenghtening South-South relations.

Guyana

President Announces New Military Appointments

PA0101212991 Paris AFP in Spanish 1904 GMT 1 Jan 91

[Text] Georgetown, 1 Jan (AFP)—Joseph Singh, a brigadier general of Hindu origin, has been appointed commander of the Guyanese Armed Forces. This is the first time in the history of Guyana, as well as throughout the rest of the former British colonies in the Caribbean, that an officer of Hindu origin has been selected to head the country's military institution.

The appointment of Singh, who trained in the United Kingdom, was announced by Guyanese President Desmond Hoyte, who also announced the appointment of another brigadier general, David Grainger, to the post of national security adviser and member of the National Intelligence Commission.

Former security adviser Laurie Lewis has been appointed chief of police to replace Balram Ragbir, current Guyanese ambassador to India, President Hoyte announced on Monday.

Meanwhile, on 28 December the parliament passed two controversial electoral measures, the most important of which calls for general elections to be held shortly after 2 May.

Another measure orders the electoral commission to draw up a new electoral registry. A door-to-door registration will be conducted, the guidelines for which have already been established. The most important guideline states that the registrar may not enter a private home if he is not invited to do so.

Guyana elects its president, parliament, and regional governments every five years. The last elections were held in December 1985.

Government Plans To Cut Number of Ministries

FL3112160090 Bridgetown CANA in English 1631 GMT 30 Dec 90

[Text] Georgetown, Guyana, Dec 30, CANA—The Desmond Hoyte administration, in a major reorganisation of the public service, plans to slash the number of government ministries from 18 to 11 by next May, the state-owned CHRONICLE reported. The proposed changes follow a government-commissioned study of the Guyana Public Service, undertaken one year ago by the British consultancy firm of Peat, Marwick, McLintock.

According to the CHRONICLE, the office of the president will absorb the current Ministry of the Public Service while the Ministry of Physical and Regional Development will take over the Ministry of Communications and Works and the relevant agencies responsible for water, housing, and related services.

The Ministry of Finance will be broadened to encompass the operations of the state planning secretariat; the Ministry of Trade will include the Department of International Economic Co-Operation (DIEC) and the Guyana Manufacturing and Industrial Development Agency (Guymida); and the Ministry of Social Welfare will absorb the agencies responsible for labour, sports, culture, youth, social development, women's affairs, social assistance, and other related services.

The Peat, Marwick, McLintock study found that the public service was fragmented with several ministries having responsibilities in similar areas of government policy. This state of affairs resulted in a loss of coherence in policy formation, fuelled duplication and overlapping of tasks, and caused excessive inter-ministry co-ordination, slow response time, and decision-making, the report said.

The report noted that public sector salaries were depressed way below those in the private sector and said this was causing a drain of skilled personnel to the private sector. The report recommended a government review of salaries.

President Desmond Hoyte, speaking at a press briefing for senior media editors on Friday, said the Public Service Ministry would oversee the reorganisation, and a team of permanent secretaries was working to effect the long-awaited transformation by May 1991. The British consultants are due back here early next month to oversee the implementation of their recommendations.

Hoyte promised to raise public sector salaries next month when the government presents its 1991 budget. He said the restructuring, part of an ongoing structural adjustment programme being supervised by the International Monetary Fund (IMF), would significantly reduce costs. He however did not say if retrenchment would be included.

Hoyte announced plans to strengthen the Customs and Excise and Inland Revenue Departments to stem leakages of revenue. The plans include recruitment of better quality staff.

Suriname

Appointment of New President Announced

FL3112192190 Paramaribo International Service in English 1730 GMT 31 Dec 90

[Excerpts] Johan Kraag is the new president of the Republic of Suriname. The 77-year-old-Kraag [words indistinct] was chosen by acclamation on Saturday last by the National Assembly that wanted him installed immediately.

President Kraag at the installation ceremony promised to restore national unity and [words indistinct] in the country. The Honorable [words indistinct] of cabinet ministers yet to be appointed, and (?agreed upon) to organize free and fair elections.

President Kraag, in the past, apart from being a government minister and parliamentarian, was also an important speaker of the house. He was also a member of the government of (?Fredrik Johnson).

At the moment he is honorary chairman of the National Party of Suriname, NPS, one of the three parties in the ruling front coalition which was overthrown by the recent coup.

[Passage omitted, including indistinct portions] The new government has three months to organize elections.

President Might Reinstate Bouterse

PA3112215890 Paris AFP in Spanish 2104 GMT 31 Dec 90

[Text] Paramaribo, 31 Dec (AFP)—The official news agency SNA reported today that Johan Kraag, the new provisional president of Suriname, might request—at the urging of two top military officers—that former Armed Forces Commander Desi Bouterse reconsider his resignation from the military institution.

Kragg met on Sunday with the new Armed Forces commander, Ivan Graanoogst, and with Army Commander Chas Mijnals. The two officers asked Kraag to persuade Bouterse, who was the military ruler of Suriname for eight years, to resume his post as head of the Armed Forces.

Bouterse's resignation on 22 December, which was due to differences with the civilian administration of former President Ramsewak Shankar, sparked this Christmas' bloodless coup that was led by Graanoogst.

Graanoogst and Mijnals said that Bouterse's reinstatement as head of the Armed Forces "will bring greater peace and stability to the national and international community."

According to SNA, Kraag "reacted positively" to the suggestion.

On Saturday the Surinamese parliament appointed Kraag provisional president of Suriname. Kraag is a leader of the National Party (PNS) and a member of the coalition Front for Democracy and Development (FDD), which took Shankar to power in the 1987 elections.

Jules Wijdenbosch, of the Democratic National Party founded by Bouterse in 1987, was appointed vice president of the provisional government, which is to hold elections within 100 days.